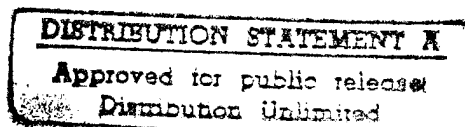


January 1995

BOTTOM-UP REVIEW

Analysis of Key DOD Assumptions



19950714 034

DTIC QUALITY INSPECTED 5



United States
General Accounting Office
Washington, D.C. 20548

National Security and
International Affairs Division

B-259314

January 31, 1995

The Honorable Strom Thurmond
Chairman
The Honorable Sam Nunn
Ranking Minority Member
Committee on Armed Services
United States Senate

The Honorable Pete V. Domenici
Chairman, Committee on the Budget
United States Senate

The Honorable Floyd D. Spence
Chairman
The Honorable Ronald V. Dellums
Ranking Minority Member
Committee on National Security
House of Representatives

The Honorable John R. Kasich
Chairman, Committee on the Budget
House of Representatives

Accession For		
NTIS	CRA&I	<input checked="checked" type="checkbox"/>
DTIC	TAB	<input type="checkbox"/>
Unannounced		<input type="checkbox"/>
Justification		
By		
Distribution /		
Availability Codes		
Dist	Avail and/or Special	
A-1		

This report discusses the Department of Defense's (DOD) bottom-up review and examines assumptions about key aspects of the two-conflict strategy to determine whether they reasonably support DOD's conclusions that the projected force, with capability enhancements, can execute the strategy. The information in this report should be useful to your Committees in their deliberations on the future size and composition of DOD forces and capabilities. The report contains a recommendation to the Secretary of Defense concerning the congressionally mandated report on the bottom-up review that must be completed by May 1995.

We are sending copies of this report to other interested congressional committees; the Secretaries of Defense, the Army, the Navy, and the Air Force; the Commandant, U.S. Marine Corps; and the Director, Office of Management and Budget. Copies will also be made available to others on request.

B-259314

If you or your staffs have any questions on this report, please call me on (202) 512-3504. Major contributors to this report are listed in appendix II.

A handwritten signature in cursive script that reads "Richard Davis".

Richard Davis
Director, National Security
Analysis

Executive Summary

Purpose

In its bottom-up review of the nation's defense needs, the Department of Defense (DOD), among other things, judged that it is prudent to maintain the capability to fight and win two nearly simultaneous major regional conflicts, and determined the forces, capability improvements, and funding necessary to do so. DOD used the results of the bottom-up review to develop its fiscal year 1995 budget and Future Years Defense Program. Because the bottom-up review is the basis for DOD's planning, programming, and budgeting for the foreseeable future, GAO examined DOD's assumptions about key aspects of the two-conflict strategy to determine whether they reasonably support DOD's conclusion that the projected force, with capability improvements, can execute the strategy. GAO did not review the rationale for DOD's decision to select the two-conflict strategy.

Background

In October 1993, DOD reported on its bottom-up review—an assessment of U.S. defense needs in the post-Cold War security environment. In particular, the review outlined an overall defense strategy for the new era, specific dangers to U.S. interests and strategies for dealing with each danger, and force structure requirements. Chief among the dangers was the threat of large-scale aggression by major regional powers. DOD evaluated various strategy and force options for countering regional aggression. It also considered requirements for conducting (1) peace enforcement or intervention operations in smaller-scale conflicts or crises, (2) overseas presence, and (3) deterrence of attacks with weapons of mass destruction.

DOD selected the two-conflict strategy option and determined the force structure capable of executing the strategy and meeting requirements for overseas presence and smaller-scale operations, as shown in table 1. According to its Report on the Bottom-Up Review, DOD also estimated the cost of the bottom-up review program and matched it against the President's objective for reducing the defense budget by \$104 billion. DOD estimated that the program would achieve \$91 billion in total savings during fiscal years 1995 to 1999 and that additional savings would be identified during DOD's normal program and budget review.

**Table 1: DOD's Bottom-Up Review
Force Structure**

Force	Requirement
Army	10 active divisions 15 Army National Guard enhanced readiness (combat) brigades ^a
Navy	11 active aircraft carriers 1 reserve/training aircraft carrier 45-55 attack submarines 346 ships
Marine Corps	3 Marine expeditionary forces 174,000 active personnel 42,000 reserve personnel
Air Force	13 active fighter wings 7 reserve fighter wings Up to 184 bombers (B-52H, B-1, B-2)
Strategic nuclear forces	18 ballistic missile submarines Up to 94 B-52H bombers ^b 20 B-2 bombers ^b 500 Minuteman III intercontinental ballistic missiles (single warhead)

^aThese enhanced brigades will be existing Guard combat brigades with improved readiness.

^bThese bombers are included in the 184 bombers listed under the Air Force.

DOD also determined it would need to make specific enhancements to force capabilities, such as improving strategic mobility—airlift, sealift, and prepositioning—and the lethality of U.S. firepower. DOD estimated that the Army, Navy, Air Force, and Marine Corps forces would be in place by 1999, strategic nuclear forces would be in place by 2003, and most enhancements would be done by 2000.

The Secretary of Defense's defense planning guidance for fiscal years 1995-99 and 1996-2001, issued in September 1993 and May 1994, respectively, implemented the bottom-up review's findings. The 1994 guidance included an illustrative planning scenario covering two nearly simultaneous regional conflicts for DOD to use in developing program and budget requirements. In general, this scenario described force levels, deployment schedules, and other aspects of a situation involving two nearly simultaneous major regional conflicts.

Because of concerns about the results of the bottom-up review, the Congress, in the Fiscal Year 1995 National Defense Authorization Act, requires the Secretary of Defense to reexamine the bottom-up review's assumptions and conclusions regarding force and budgetary requirements

and report on the review to the President and the Congress in May 1995. DOD must describe the force structure required to execute its two-conflict strategy in light of other ongoing or potential operations and may also address possible adjustments to the two-conflict strategy.

Results in Brief

DOD has not fully analyzed key bottom-up review assumptions about the availability of forces, supporting capabilities, and enhancements that it concluded were necessary for executing the two-conflict strategy. Furthermore, some of DOD's assumptions are questionable. DOD assumed the following:

- Forces would be redeployed from other operations, such as peacekeeping, to regional conflicts, and forces would be redeployed between regional conflicts. However, critical support and combat forces needed in the early stages of a regional conflict may not be able to quickly redeploy from peace operations because (1) certain Army support forces would be needed to facilitate the redeployment of other forces and (2) logistics and maintenance support needed for specialized Air Force aircraft would have to wait for available airlift.
- Certain specialized units or unique assets would be shifted from one conflict to another. However, two war-fighting commands, in an on-going study of the two-conflict strategy, have raised questions about shifting assets between conflicts.
- Sufficient strategic lift assets, prepositioned equipment, and support forces would be available. However, the Army lacks sufficient numbers of certain types of support units to meet current requirements for a single conflict.
- Army National Guard enhanced combat brigades could be deployed within 90 days of being called to active duty to supplement active combat units. However, National Guard combat brigades are currently experiencing difficulty meeting peacetime training requirements critical to ensuring their ability to deploy quickly in wartime.
- A series of enhancements, such as improvements to strategic mobility and U.S. firepower, are critical to implementing the two-conflict strategy and would be available by about 2000. However, some enhancements, such as additional airlift aircraft, may not be available as planned.

In addition, war-fighting command officials believe that DOD's concept for responding to two nearly simultaneous conflicts—including in DOD guidance for developing program and budget requirements—may not be the best approach. For example, their estimates of key characteristics of

how two nearly simultaneous conflicts might evolve and how forces should be deployed differ significantly from DOD's estimates, including the timing between the two conflicts and the timing of force deployments. In February 1994, the commands initiated a study to examine options for deploying forces and supporting capabilities they believe could maximize the use of U.S. capabilities. Command officials emphasized that, in initiating the study, they are not suggesting that the United States cannot accomplish the two-conflict strategy. Their analysis is addressing many of the variables that DOD made assumptions about during the bottom-up review and could therefore provide useful insights to the validity of DOD's assumptions.

In the Report on the Bottom-Up Review, DOD stated that much more work needs to be done. DOD has since begun to examine the redeployment of forces from other operations, shifting of assets between conflicts, availability of strategic mobility and support forces, and use of enhanced brigades. In general, these analyses will not be complete until sometime in 1995. Until DOD fully analyzes its bottom-up review assumptions and considers the war-fighting commands' options, it will not have a firm basis for determining the forces, supporting capabilities, and funding needed for the two-conflict strategy or if the strategy should be changed.

Principal Findings

DOD Has Not Fully Analyzed Key Bottom-Up Review Assumptions, and Some Are Questionable

DOD has not fully analyzed key bottom-up review assumptions about the availability of forces, supporting capabilities, and enhancements that it concluded were necessary to execute the strategy to fight and win two nearly simultaneous major regional conflicts. GAO questions some of DOD's assumptions.

Since the bottom-up review, DOD and two war-fighting commands began analyzing key aspects of the two-conflict strategy that are related to DOD's bottom-up review assumptions (see table 2).

Table 2: Status of DOD's Analyses of Key Aspects of the Two-Conflict Strategy

Aspect of the two-conflict strategy	Related DOD bottom-up review assumption	Status of DOD analyses (as of Jan. 1995)
Redeployment of forces from other operations	Forces involved in other operations, such as peacekeeping, would be redeployed to a regional conflict.	In June 1994, the Army began a study of the feasibility of redeploying forces from peace operations to regional conflicts. It expects to complete this analysis in early to mid-1995.
Shifting assets from one conflict to another	Certain specialized units or unique assets would be shifted from the first regional conflict to the second conflict.	In 1994, the Air Force, Air Mobility Command, and two war-fighting commands initiated studies of the two-conflict strategy, including examining shifting assets between conflicts. The first two studies were completed in August and May 1994, respectively, and follow-on efforts are planned. These efforts and the commands' study will not be completed until sometime in 1995.
Availability of strategic mobility	Sufficient airlift, sealift, and prepositioning would be available for deploying forces to two regions.	In October 1993, DOD initiated a detailed analysis of mobility requirements for the two-conflict strategy. DOD expects to identify overall requirements by February 1995 but will not identify the specific numbers and types of airlift aircraft until November 1995.
Availability of support forces	Sufficient support forces would be available for combat operations in two conflicts.	In July 1994, the Army began analyzing support requirements for the two-conflict strategy. It expects to complete this analysis in mid-1995.
Deployability of reserve forces	Army National Guard enhanced combat brigades could be deployed within 90 days of being called to active duty and would supplement active combat units.	In November 1993, the Army began to study the concept of enhanced brigades, including equipment and training needs. The Army expects to complete the equipment study in February 1995 and the training study in mid-1995. Use of the brigades is being considered as part of the two war-fighting commands' study.

As table 2 shows, DOD assumed that forces committed to other operations such as peacekeeping would be redeployed to a major regional conflict. However, some of the same Army support forces and specialized Air Force combat aircraft used in peace operations, such as the F-4G and F-15E, are needed in the early stages of a conflict, and it may be difficult to disengage and redeploy these forces quickly. Support forces, such as transportation units that move personnel and cargo through ports, could not immediately redeploy because they would be needed to assist in redeploying other forces from the peace operation. While specialized Air Force aircraft and their aircrews could easily redeploy, the supplies, equipment, and

personnel needed to support the aircraft would have to wait for available airlift. Finally, forces might need to upgrade their training, equipment, and supplies before redeploying. The Army is currently analyzing the feasibility of redeploying forces from peace operations to a major regional conflict and does not expect to complete this analysis until early to mid-1995.

DOD further assumed that certain assets, such as B-2 bombers and F-117 stealth fighters, would be shifted between conflicts. The bottom-up review, however, did not analyze the specific types and numbers required to be shifted, redeployment timing, or logistical requirements. In 1994, the Air Force and its Air Mobility Command, using the 1994 defense planning guidance scenario covering two nearly simultaneous regional conflicts, completed preliminary studies of specific aspects of the two-conflict strategy that they began after the bottom-up review. Preliminary results of these analyses identified the number of assets that would possibly shift from one conflict to another and requirements for refueling support. The Air Force is continuing to analyze the requirements for the two-conflict strategy, including the shifting of assets. In February 1994, two war-fighting commands began studying options for executing the two-conflict strategy, using a different concept for deploying forces and supporting capabilities from that reflected in the defense guidance scenario. Among other things, this study will examine requirements for shifting assets between conflicts. The commands do not expect to complete this study until sometime in 1995.

DOD relied heavily on its 1991 mobility requirements study in assessing mobility requirements during the bottom-up review. This study analyzed mobility requirements for various scenarios involving single regional conflicts and a scenario involving two concurrent conflicts. Based on the requirements for the single conflict scenario deemed to be most demanding, the study recommended the acquisition of additional C-17 aircraft and sealift ships and the prepositioning of Army equipment on ships. It stated that this recommendation did not provide sufficient capability to handle a second conflict. The bottom-up review endorsed the study's recommendation and called for additional prepositioning of equipment on land. However, after completing the bottom-up review, DOD initiated a detailed analysis to validate the bottom-up review's conclusions about mobility requirements for the two-conflict strategy. This study, according to DOD, was required because of significant changes resulting from the bottom-up review and delays in DOD's mobility program. DOD expects to identify overall mobility requirements by February 1995 but will

not identify the specific numbers and types of airlift aircraft until November 1995.

In addition, DOD assumed that it would have sufficient support forces for two conflicts and did not consider the numbers and types of support units needed. For example, in modeling force options, DOD used notional Army support forces. The Army plans to complete an analysis of specific support requirements in mid-1995. Current indications are that it would be difficult for the Army to support two conflicts. A 1992 Army analysis shows that the Army cannot support its current active force of 12 divisions. Although the bottom-up review active force of 10 divisions is smaller, the Army's total number of personnel is also smaller, leaving fewer people to fill support units. Army officials therefore anticipate that its analysis of support requirements for the bottom-up review force will also reveal shortfalls. Analysis of two U.S. plans for responding to regional conflicts shows that the Army has insufficient numbers of certain units, such as transportation and quartermaster companies, to meet the requirements of one plan for responding to a regional conflict and the combined requirements of both plans. However, using existing support resources in Army National Guard units may be an option for augmenting the Army's support capability.

Finally, DOD assumed that 15 Army National Guard enhanced brigades would be trained, organized, and equipped to deploy within 90 days of being called to active duty to augment active combat units. However, during the bottom-up review, it did not determine the brigades' specific roles during wartime, required enhancements, and ability to deploy quickly or when the brigades would actually be needed. As of January 1995, the Army was still developing training and equipment requirements, and the two war-fighting commands were studying how and when the brigades would be needed in wartime. GAO concluded on the basis of 1992 and 1993 training data for seven existing Guard combat brigades that none have met premobilization training and readiness goals critical to ensuring timely deployment in wartime.

DOD's bottom-up review emphasized the importance of several enhancements; however, some may not be available by 2000, as projected. For example, to improve strategic mobility, DOD assumed that by fiscal year 1999, 80 of 120 planned C-17 aircraft would be available and additional equipment would be prepositioned in the Persian Gulf area to accelerate the arrival of ground forces. Because of cost and technical problems, however, in December 1993, the Secretary of Defense limited the procurement of C-17s to 40 and deferred a decision to buy more C-17s

until November 1995. In addition, according to DOD officials, while DOD had prepositioned equipment on ships and nearly completed prepositioning the first of two planned brigade sets on land in the Persian Gulf, it had obtained only a small portion of the funds required to preposition the second brigade set.

To improve the lethality of U.S. firepower by about the year 2000, DOD planned, among other things, to continue developing antiarmor precision-guided munitions, such as the tri-service standoff attack missile, and to add limited air-to-ground capability to the Navy's F-14 aircraft, referred to as the Block I upgrade. Because of significant developmental difficulties and growth in expected unit cost, DOD has canceled the tri-service standoff attack missile program. The Congress has also denied funding for the Block I upgrade. GAO has reported extensively on problems with the tri-service standoff attack missile and has raised questions about the justification for the Block I upgrade.

War-Fighting Commands Question DOD's Concept for Responding to Two Nearly Simultaneous Conflicts

Officials from two war-fighting commands believe that DOD's concept of how a situation involving two nearly simultaneous conflicts would evolve and how the United States would respond—outlined in a May 1994 defense planning guidance illustrative planning scenario that is being used to develop program and budget requirements—may not reflect the best approach. Their estimates of the characteristics of two nearly simultaneous conflicts differ significantly from DOD's estimates, such as the amount of warning time and amount of time separating the two conflicts. The commands also have a different concept of how U.S. forces and supporting capabilities should be allocated and deployed, including the (1) mix of combat forces needed in each conflict, (2) timing of force deployments, and (3) allocation of strategic mobility assets.

The commands are not suggesting the strategy cannot be accomplished but that DOD's concept may not reflect the best approach. They therefore believe that options other than those depicted in DOD's scenario may maximize the use of U.S. combat and support capabilities and may reduce the risks involved in simultaneously engaging in combat operations in two regions. In February 1994, the commands initiated a study to examine options for responding to two nearly simultaneous conflicts with the bottom-up review force based on a scenario that differs from the defense planning guidance scenario. This study will address many of the same aspects of the strategy that DOD made assumptions about during the bottom-up review and is currently analyzing, including shifting assets from

one conflict to another, sufficiency of strategic mobility and support forces, and the use of enhanced brigades. (Specific details of the commands' concerns about the scenario and their deployment concept are classified.) As of January 1995, the commands had reached preliminary conclusions and did not expect to complete the study until sometime later in 1995.

Recommendations

GAO recommends that in the congressionally mandated examination of the bottom-up review, the Secretary of Defense thoroughly examine the assumptions related to the (1) redeployment of forces from other operations to major regional conflicts, availability of strategic mobility assets and Army support forces, deployability of Army National Guard enhanced brigades, and planned enhancements to strategic lift and firepower and (2) consider the options being examined by the war-fighting commands.

Agency Comments

DOD provided comments on a draft of this report, which are included in appendix I. Although DOD concurred with GAO's recommendations and partially concurred with the report, it disagreed with GAO's overall conclusion that it did not adequately analyze assumptions used in conducting the bottom-up review. DOD said that its leadership recognized practical limitations on the scope of analysis that could be conducted in the time available and fully considered these limitations in making decisions about the defense program. DOD further stated that, in raising questions about the bottom-up review's assumptions, GAO did not recognize the difference between conceptual force planning and war-fighting commands' operational planning for using specific forces to undertake specific operations.

GAO recognizes that the bottom-up review was a broad force planning effort that did not develop actual war plans for using specific forces. It did, however, make the judgment that the United States would maintain the capability to fight and win two nearly simultaneous major regional conflicts and decided the size and composition of the force capable of meeting this strategy. In making these decisions, DOD made critical assumptions about factors that are key to the successful execution of the two-conflict strategy without performing sufficient analyses to test the validity of its assumptions. In fact, DOD and the war-fighting commands, through studies initiated after the bottom-up review, are now examining DOD's assumptions.

DOD also disagreed with GAO's specific findings that (1) it did not assess requirements for shifting assets between regional conflicts, (2) it did not fully assess mobility requirements, and (3) the Army would be challenged in supporting two major regional conflicts. DOD's specific comments on these findings and our evaluation are discussed in chapter 2.

Contents

Executive Summary		3
Chapter 1		16
Introduction	The Bottom-Up Review Outlined a Defense Strategy and New Dangers in the Post-Cold War Era	16
	The Secretary of Defense's Planning Guidance Implemented DOD's Bottom-Up Review Conclusions	20
	The Congress Is Requiring DOD to Reexamine the Bottom-Up Review	20
	Objective, Scope, and Methodology	20
Chapter 2		22
DOD Did Not Fully Analyze Key Bottom-Up Review Assumptions	The Two-Conflict Strategy Changed the Basis of Military Planning for Responding to Regional Conflicts	22
	Forces Involved in Other Operations May Not Be Immediately Available for a Regional Conflict	23
	The Bottom-Up Review Did Not Assess Requirements for Shifting Assets Between Regional Conflicts	24
	The Bottom-Up Review Did Not Fully Assess Mobility Requirements for the Two-Conflict Strategy	25
	The Army Would Be Challenged in Supporting Two Major Regional Conflicts	27
	DOD Has Not Fully Defined the Concept of Enhanced Reserve Brigades, and Questions Remain About Their Deployability	31
	Some Bottom-Up Review Enhancements May Not Be Completed When Planned or at All	34
	Conclusions	36
	Agency Comments and Our Evaluation	37
Chapter 3		40
War-Fighting Commands Question DOD's Concept for Responding to Two Nearly Simultaneous Conflicts	The May 1994 Defense Planning Guidance Outlines DOD's Concept for Responding to Two Nearly Simultaneous Conflicts	40
	War-Fighting Commands Question Several Aspects of the Defense Planning Guidance Scenario	41
	Conclusions	43
	Recommendations	43
	Agency Comments and Our Evaluation	44

Contents

Appendixes

Appendix I: Comments From the Department of Defense	46
Appendix II: Major Contributors to This Report	69

Tables

Table 1: DOD's Bottom-Up Review Force Structure	4
Table 2: Status of DOD's Analyses of Key Aspects of the Two-Conflict Strategy	7
Table 1.1: The Bottom-Up Review's Strategy and Force Options for Responding to Major Regional Conflicts	18
Table 2.1: Army Units in Short Supply for a Single Regional Conflict and Tasked to Deploy to Two Conflicts	30
Table 2.2: Shortfall of Medical, Engineer, Quartermaster, Military Police, and Transportation Units for Two Major Regional Conflicts	31

Abbreviations

DOD	Department of Defense
GAO	General Accounting Office

Introduction

In light of the significant changes in the international security environment resulting from the dissolution of the Soviet Union and declining resources available for defense needs, the Department of Defense (DOD) has been reexamining U.S. defense strategy, force levels, and budgetary requirements for the post-Cold War era. In 1990, the President presented a defense plan reflecting a shift in U.S. strategy from preparing for a global war in Europe against the Soviet Union to preparing for major regional conflicts against uncertain adversaries. This plan proposed a significantly reduced force structure, or base force, but retained sufficient forces to counter a possible reemergence of the Soviet threat.

Following the change in administrations in 1993, the new Secretary of Defense reassessed U.S. defense requirements in an effort referred to as DOD's bottom-up review. This review, completed in October 1993, examined the nation's defense strategy, force structure, modernization, infrastructure, foundations, and resources needed for the post-Cold War era. As a result of the bottom-up review, DOD continued to focus U.S. strategy on regional threats; however, it de-emphasized the possibility of a reemerging Soviet threat and reduced U.S. forces to levels smaller than the base force. According to DOD officials, the Secretary of Defense called for the bottom-up review to be completed in time to be considered in developing DOD's fiscal year 1995 budget and Future Years Defense Program. Therefore, the review was completed in about 7 months. In the Report on the Bottom-Up Review, DOD stated that much more work had to be done.

The Bottom-Up Review Outlined a Defense Strategy and New Dangers in the Post-Cold War Era

According to DOD's bottom-up review, the United States must pursue an overall defense strategy characterized by continued political, economic, and military engagement internationally. This strategy of engagement advocates (1) preventing the emergence of threats to U.S. interests by promoting democracy, economic growth, free markets, human dignity, and the peaceful resolution of conflict and (2) pursuing international partnerships for freedom, prosperity, and peace.

The bottom-up review outlined the new dangers facing U.S. interests in the post-Cold War era and a specific strategy for dealing with each one. These dangers included (1) the proliferation of nuclear weapons and other weapons of mass destruction; (2) regional dangers, posed primarily by the threat of large-scale aggression by major regional powers with opposing interests; (3) dangers to democracy and reform in the former Soviet Union,

Eastern Europe, and elsewhere; and (4) economic dangers to national security.

In the Report on the Bottom-Up Review, the Secretary of Defense cited regional aggression as chief among the new dangers. To deal with regional aggression and other regional dangers, DOD's strategy is to (1) defeat aggressors in major regional conflicts; (2) maintain a presence overseas—the need for U.S. forces to conduct normal peacetime operations in critical regions—to deter conflicts and provide regional stability; and (3) conduct smaller-scale intervention operations, such as peacekeeping, humanitarian assistance, and disaster relief.

DOD Judged That the United States Must Be Capable of Winning Two Nearly Simultaneous Regional Conflicts

To deal with the threat of regional aggression, DOD judged that it is prudent for the United States to maintain sufficient military power to be able to fight and win two major regional conflicts that occur nearly simultaneously.¹ The bottom-up review determined the specific forces, capabilities, and improvements in capabilities for executing the two-conflict strategy. In reaching its conclusions, DOD examined various strategy and force options for major regional conflicts, as shown in table 1.1.

¹For planning purposes, DOD defined "nearly simultaneous" to be a certain number of days between the time that enemy forces mobilize in each conflict. The number of days is classified.

Table 1.1: The Bottom-Up Review's Strategy and Force Options for Responding to Major Regional Conflicts

Military service	Option			
	Win one conflict	Win one conflict with hold in second	Win two nearly simultaneous conflicts	Win two nearly simultaneous conflicts plus conduct smaller operation
Army	8 active divisions	10 active divisions	10 active divisions	12 active divisions
	6 reserve division equivalents	6 reserve division equivalents	15 reserve enhanced-readiness brigades	8 reserve enhanced equivalents
Navy	8 carrier battle groups	10 carrier battle groups	11 carrier battle groups	12 carrier battle groups
			1 reserve carrier	
Marine Corps	5 active brigades	5 active brigades	5 active brigades	5 active brigades
	1 reserve division	1 reserve division	1 reserve division	1 reserve division
Air Force	10 active fighter wings	13 active fighter wings	13 active fighter wings	14 active fighter wings
	6 reserve fighter wings	7 reserve fighter wings	7 reserve fighter wings	10 reserve fighter wings
Force enhancements				

Source: DOD's Report on the Bottom-Up Review.

For assessment purposes, DOD focused on two specific scenarios involving regional aggression. In evaluating the strategy and force options, DOD also considered requirements for conducting (1) peace enforcement or intervention operations in smaller-scale conflicts or crises, (2) overseas presence, and (3) deterrence of attacks with weapons of mass destruction.

DOD, for various reasons, chose the strategy of fighting and winning two nearly simultaneous major regional conflicts and related forces with enhancements—the third option shown in table 1.1. For example, DOD believed that this option would possibly deter a second regional aggressor from attacking its neighbors while the United States was responding to another regional conflict. In addition, fielding forces sufficient to win two wars nearly simultaneously would provide a hedge against the possibility that a future adversary might one day confront the United States with a larger-than-expected threat.

Finally, DOD believed that this strategy option, forces, and enhancements were affordable within expected budget constraints. According to its Report on the Bottom-Up Review, DOD also estimated the cost of the bottom-up review program and matched it against the President's

objective for reducing the defense budget. DOD estimated that the program would achieve \$91 billion in total savings and that additional savings would be identified during DOD's normal program and budget review. DOD estimated that the projected force would be available by fiscal year 1999. DOD used the results of the bottom-up review to develop its fiscal year 1995 budget and Future Years Defense Program.

DOD Made Several Key Assumptions About Its Chosen Force Option

In concluding that the forces selected for the third option could implement its strategy, DOD made several key assumptions about the forces' deployability and capabilities, including that

- forces involved in other operations, such as peacekeeping, would be redeployed to a regional conflict;
- certain specialized units or unique assets would be shifted from one conflict to another;
- sufficient strategic lift assets and support forces would be available;
- Army National Guard enhanced combat brigades could be deployed within 90 days of being called to active duty to supplement active combat units; and
- a series of enhancements, such as improvements to strategic mobility and U.S. fire power, were critical to implementing the two-conflict strategy and would be available by about 2000.

The specific enhancements included improving (1) strategic mobility, through more prepositioning and enhancements to airlift and sealift; (2) the strike capabilities of aircraft carriers; (3) the lethality of Army firepower; and (4) the ability of long-range bombers to deliver conventional precision-guided munitions. Completing these enhancements, according to DOD, would both reduce overall ground force requirements and increase the responsiveness and effectiveness of its power projection forces.

In most cases, the projected enhancements involved ongoing programs to upgrade existing capabilities. For example, the bottom-up review cited the need for additional airlift and sealift assets to improve strategic mobility. DOD had previously identified this need in its 1991 mobility requirements study and had already programmed funds to procure some of the specific assets.

The Secretary of Defense's Planning Guidance Implemented DOD's Bottom-Up Review Conclusions

According to the Secretary of Defense, the bottom-up review was a comprehensive reassessment that set the framework for defense planning for the next 5 years and beyond. In September 1993 and May 1994, the Secretary issued his defense planning guidance for fiscal years 1995 to 1999 and fiscal years 1996 to 2001, respectively. This guidance formally directed the military services and defense agencies to implement the bottom-up review's conclusions.

The May 1994 guidance included an illustrative planning scenario reflecting DOD's concept of how the United States would respond to two major regional conflicts that occur nearly simultaneously. Among other things, the scenario detailed the amount of time between the outbreak of hostilities in both conflicts, number and types of forces deployed to each conflict, timing of deployments, and projected time for completing various combat phases. DOD directed military planners to use this scenario, along with other guidelines in the September and May guidance, in developing program and budget requirements for DOD's selected strategy and forces.

The Congress Is Requiring DOD to Reexamine the Bottom-Up Review

In considering DOD's portion of the President's budget for fiscal year 1995, Members of the Congress raised questions about the bottom-up review, including the accuracy of its assumptions and affordability of its projected force. As a result, in the Fiscal Year 1995 National Defense Authorization Act, the Congress is requiring the Secretary of Defense to review the assumptions and conclusions of the President's budget, the bottom-up review, and the Future Years Defense Program. The Secretary is required to submit a report on the results of its review to the President and the Congress in May 1995. Among other things, this report must describe the force structure required to execute DOD's two-conflict strategy in light of other ongoing or potential operations and may also address possible adjustments to the strategy.

Objective, Scope, and Methodology

We examined DOD's bottom-up review assumptions about key aspects of the two-conflict strategy to determine whether they reasonably supported DOD's conclusion that the projected force, with enhancements, can execute the strategy. In conducting our assessment, we did not examine DOD's rationale for selecting the two-conflict strategy, the capabilities of potential regional aggressors, and the extent to which allied support could reduce the need for U.S. forces.

To determine DOD's assumptions and conclusions about executing the two-conflict strategy, we interviewed knowledgeable officials involved in the bottom-up review at the offices of the Assistant Secretary of Defense for Strategy, Resources, and Requirements; the Assistant Secretary of Defense for Reserve Affairs; the Joint Chiefs of Staff; and the Army, Air Force, Navy, and Marine Corps headquarters.

We also reviewed relevant documentation, including the final report on the bottom-up review and the Secretary of Defense's planning guidance, and received briefings on regional dangers from DOD officials. We did not examine DOD's rationale for selecting the two-conflict strategy; rather, we focused on examining DOD's assumptions on key aspects of the strategy. DOD denied us access to specific information on the inputs and results of its analysis of force options. However, we obtained considerable information on DOD's analysis through interviewing knowledgeable officials and reviewing available documentation.

To analyze whether DOD's assumptions reasonably supported DOD's conclusion that the projected force, with enhancements, can execute the two-conflict strategy, we interviewed officials at the headquarters of the four military services, the U.S. Army Forces Command, the U.S. Transportation Command, the Air Combat Command, the Army National Guard Bureau, and the U.S. Army Reserve Command. We also reviewed relevant documentation on (1) the use of U.S. forces engaged in peacekeeping operations, (2) Army support capability, (3) training of Army National Guard enhanced combat brigades, and (4) DOD plans for improving strategic mobility and the lethality of U.S. firepower.

We interviewed officials at two war-fighting commands to obtain their views on DOD's assumptions in the bottom-up review, the feasibility of conducting the two-conflict strategy, and the defense planning guidance implementing the bottom-up review's findings.

We conducted our review from October 1993 to October 1994 in accordance with generally accepted government auditing standards.

DOD Did Not Fully Analyze Key Bottom-Up Review Assumptions

Under the bottom-up review's two-conflict strategy, military planners, for the first time, are required to plan to deploy forces to respond to two nearly simultaneous regional conflicts. However, in doing the review, DOD did not fully analyze its assumptions regarding key aspects of the strategy, such as the ability of forces to redeploy from other operations to regional conflicts or between conflicts, availability of strategic lift and support forces, and deployability of Army National Guard combat brigades.

Furthermore, we question some of DOD's assumptions. For example, certain support forces needed in the early stages of a regional conflict could not immediately redeploy from peace operations because they would be needed to assist in redeploying other forces. The Army currently lacks sufficient numbers of certain support forces for a single conflict, and National Guard combat brigades are experiencing difficulty meeting peacetime training requirements that are critical to ensuring timely deployment in wartime. Finally, some enhancements may not be available as planned.

The Two-Conflict Strategy Changed the Basis of Military Planning for Responding to Regional Conflicts

The bottom-up review's strategy of maintaining the capability to fight and win nearly simultaneous conflicts changed the basis for U.S. military planning. Specifically, the base force was required to be capable of conducting a decisive offense in response to one conflict and still be capable of mounting a credible defense against an aggressor in another region before the first crisis ended. As a result, war-fighting commanders prepared operational plans for regional conflicts with the assumption that no other conflict was ongoing or would occur after their conflict began. They therefore assumed that combat and support forces, strategic mobility assets, and other capabilities required to execute their plan would be available.

The bottom-up review's strategy envisions that U.S. forces could be engaged in offensive operations in two conflicts nearly simultaneously. This strategy requires DOD to meet the requirements of two war-fighting commanders at the same time. DOD officials stated that extensive analysis, beyond that conducted during the bottom-up review, is required to consider the implications of responding to two nearly simultaneous conflicts. Since the bottom-up review, DOD has begun additional analyses.

Forces Involved in Other Operations May Not Be Immediately Available for a Regional Conflict

According to the bottom-up review, if a major regional conflict occurs, DOD will deploy a substantial portion of its forces stationed in the United States and draw on forces assigned to overseas presence missions. If DOD believes it is prudent to do so, it will keep forces engaged in smaller-scale operations, such as peacekeeping, while responding to a single conflict. If a second conflict breaks out, DOD would need to deploy another block of forces, requiring a further reallocation of overseas presence forces, any forces still engaged in smaller-scale operations, and most of the remaining U.S.-based forces.

In determining force requirements for the two-conflict strategy, DOD assumed that forces already engaged in other operations could redeploy to a regional conflict. However, DOD did not analyze the feasibility of or requirements for such a redeployment during the bottom-up review. For example, DOD did not consider (1) requirements for readiness upgrades for forces before redeployment, (2) requirements for diverting airlift and sealift assets to pick up personnel and equipment from the operation, and (3) the impact on the war-fighting commander involved in a regional conflict if combat and support forces engaged in other operations were not immediately available.

DOD did not begin to analyze its assumption on redeploying forces from operations other than war until after completing the bottom-up review. In June 1994, the Army initiated a study of the impact of peace operations on Army requirements, including the implications of redeploying combat and support forces from such operations to regional conflicts. The Army does not expect to complete this analysis until early to mid-1995.

Our work on the impact of peace operations on U.S. forces suggests that it would be difficult for certain support and combat forces to disengage and quickly redeploy to a major regional conflict. For example, certain Army support forces and specialized Air Force combat aircraft, such as the F-4G and F-15E, deployed to peace operations are the same forces needed in the early stages of a regional conflict. However, some support forces, such as transportation units that move personnel and cargo through ports, could not immediately redeploy because they would be needed to assist in redeploying other forces. Furthermore, while Air Force aircraft and aircrews could easily fly from the peace operation to a regional conflict, the maintenance and logistics support needed to keep the aircraft flying—supplies, equipment, and personnel—would have to wait for available airlift. Obtaining sufficient airlift to redeploy forces from a peace operation would be challenging because already limited airlift assets

committed to deploying forces to the regional conflict would have to be diverted to pick up these forces.

Finally, forces may need to upgrade their training, equipment, and supplies before redeploying. For example, according to Air Force officials, peace operations tend to degrade the overall combat readiness of Air Force flight crews. Similarly, naval aviators also find that they lose proficiency in some combat skills through prolonged participation in peace operations. We are reporting separately on the impact of peace operations on U.S. forces.

The Bottom-Up Review Did Not Assess Requirements for Shifting Assets Between Regional Conflicts

According to the bottom-up review, certain specialized units or unique assets would be dual-tasked—shifted from the first regional conflict to the second conflict. In prior years, the Air Force had enough fighter and bomber aircraft to meet the war-fighting requirements of two regional conflicts. DOD believes that it may not have certain assets, such as B-2 bombers, F-117 stealth fighters, and EF-111 aircraft, in sufficient quantities to support two conflicts, and it therefore may need to shift aircraft from one conflict to another.

Although DOD assumed that dual-tasking would occur, it did not analyze how assets would be shifted from one conflict to another. For example, in determining force requirements, DOD did not determine what specific types and numbers of assets would be required to be dual-tasked and when they could be redeployed, or whether sufficient logistical support, such as airlift, refueling aircraft, air crews, or spare parts kits, would be available for the redeployment.

DOD officials explained that because a model for two nearly simultaneous conflicts does not exist, the modeling to determine force requirements during the bottom-up review did not simulate the shifting of assets from one conflict to another. Rather, DOD identified the specific number of assets required for each conflict and assumed that dual-tasking would compensate for any shortfalls.

After the bottom-up review, the Air Force and its Air Mobility Command began analyzing the implications and requirements for dual-tasking based on assumptions contained in the Secretary of Defense's May 1994 defense planning guidance. Among other things, these analyses—completed in August and May 1994, respectively—identified the specific assets that would be dual-tasked, the timing of redeployment, and refueling aircraft needed to support the redeployment from one conflict to another.

The Air Force is continuing to analyze the requirements for dual-tasking, including the availability of aircrews and spare parts kits. Furthermore, in November 1994, at the direction of the Chairman of the Joint Chiefs of Staff, DOD began a war game analysis of several variables of the two-conflict strategy, including requirements for dual-tasking. This analysis is expected to be completed sometime in 1995.

As discussed in chapter 3, war-fighting commands are analyzing the two-conflict strategy using a different scenario and deployment concept from those outlined in the defense planning guidance. They, too, are examining dual-tasking, including how many and what type of assets would need to shift and at what point in the conflict such a shift could reasonably occur. Until this analysis is completed, currently projected for sometime in 1995, and its results are reconciled with ongoing Air Force and DOD studies, the specific requirements for dual-tasking will not be known.

The Bottom-Up Review Did Not Fully Assess Mobility Requirements for the Two-Conflict Strategy

According to the bottom-up review, the illustrative planning scenarios that DOD used in determining force and strategy options for regional conflicts assumed that a well-armed regional power would initiate aggression thousands of miles from the United States. On short notice, U.S. forces from other areas would be rapidly deployed to the area and enter the battle as quickly as possible. Because DOD assumed that most of these forces would not be in the region when hostilities begin, it emphasized that sufficient strategic mobility—airlift, sealift, and prepositioning of equipment at forward locations—would be needed to successfully execute the two-conflict strategy.

The bottom-up review called for specific enhancements to DOD's existing strategic mobility capability—most of which DOD had identified in its 1991 mobility requirements study. This congressionally required study determined future requirements for airlift, sealift, and prepositioning and recommended a program to improve DOD's mobility capability. In conducting the study, DOD analyzed various scenarios involving single regional conflicts and a scenario involving two concurrent conflicts. Based on the requirements for the single conflict scenario deemed to be most demanding, the study recommended

- increasing sealift capacity for prepositioned equipment and rapid deployment of heavy Army divisions¹ and other U.S. forces by (1) acquiring—through new construction and conversion—additional capacity equal to 20 large, medium-speed, roll-on/roll-off ships; (2) leasing two container ships; (3) expanding the Ready Reserve Force from 96 to 142 ships (an increase of 46 ships); and (4) increasing the overall readiness of the Ready Reserve Force;²
- increasing U.S. capability to respond within the first few weeks of a regional conflict by prepositioning Army combat, support, and port-opening equipment aboard nine of the newly constructed or converted large, medium-speed ships (by fiscal year 1997);³
- improving airlift by continuing the C-17 aircraft program, acquiring up to 120 aircraft; and
- improving the capability of the U.S. transportation system to move combat and support units from their peacetime locations to ports of embarkation by, among other things, purchasing 233 additional heavy-lift rail cars and developing an ammunition loading facility on the U.S. west coast.

According to the mobility study, the recommended program reflected a moderate-risk and affordable mobility force for a single regional conflict that would enable DOD to move 4-2/3 Army divisions in 6 weeks. It also concluded that its recommended program was not sufficient to handle a second concurrent major regional conflict.

During the bottom-up review, DOD relied heavily on the results of the mobility study when considering mobility requirements for the two-conflict strategy. The bottom-up review endorsed the mobility study's recommendations, and called for increasing the amount of equipment prepositioned on land in the Persian Gulf area. At the time of the bottom-up review, DOD had a battalion-sized set of equipment ashore in the Persian Gulf and planned to increase this prepositioning to two brigade sets. DOD believed that the prepositioning was necessary because the bottom-up review envisioned that forces would need to deploy more quickly than provided for in the 1991 study.

¹The Army has heavy and light forces. Heavy forces include armor, mechanized infantry, and cavalry units, and light forces include nonmechanized infantry, airborne, and air assault units.

²DOD now plans to acquire 19, rather than 20, large, medium-speed ships, and to expand the Ready Reserve Force by 21, rather than 46, ships.

³DOD has since determined that 8, rather than 9, ships were needed for this prepositioning. These 8 ships will replace 7 of the 12 ships the Army is currently using for prepositioning and add additional capacity.

After completing the bottom-up review, DOD initiated a detailed analysis of mobility requirements for the two-conflict strategy to validate its recommendations in the 1991 mobility study and the bottom-up review. According to DOD, this study was required because of significant changes resulting from the bottom-up review and delays in DOD's mobility program. For example, the bottom-up review and related defense planning guidance presented a new military strategy, changed the overall force structure, and called for enhancements in war-fighting capability. Furthermore, as discussed later, DOD experienced delays in acquiring C-17 aircraft.

By February 1995, DOD expects to complete its study, identifying any changes in mobility requirements and necessary adjustments to its mobility program. DOD will then identify the appropriate mix of specific airlift aircraft—C-17 and alternatives to the C-17. DOD plans to complete this mix analysis by November 1995. Until the two studies are complete, DOD will not know the overall mobility requirements and related costs for its two-conflict strategy.

The Army Would Be Challenged in Supporting Two Major Regional Conflicts

During the bottom-up review, DOD assumed that sufficient support units would be available to support combat operations in two nearly simultaneous major regional conflicts.⁴ However, the Army currently does not have the units needed to support its overall combat force. Furthermore, analysis of current U.S. plans for responding to regional conflicts indicates that the Army lacks sufficient units for a particular conflict and would have even more difficulty supporting two conflicts.

The Bottom-Up Review Assumed That Sufficient Support Forces Would Be Available for Two Conflicts

The bottom-up review did not analyze the specific types and quantities of Army support units needed to execute the two-conflict strategy. In modeling force and strategy options, DOD used notional numbers to simulate the support forces that would typically deploy to support an Army division. It assumed that the Army would deploy with all of the specific support units needed to support its combat forces. According to DOD officials, they did not thoroughly analyze support requirements because of the short time frame to complete the bottom-up review.

In September 1994, the Army began analyzing support requirements for its two-conflict combat force of 10 active divisions and 15 Army National Guard enhanced brigades—existing Guard combat brigades with improved

⁴Support units include detachments, companies, and teams that maintain equipment, transport and distribute supplies, provide personal services, and otherwise sustain combat operations.

readiness. This analysis was part of its biennial process for determining support needs. The process, referred to as the Total Army Analysis, identifies the numbers and types of units needed to support a given combat force in a designated scenario and the personnel and equipment needed to fill these units. The Army then assesses other priorities, such as combat requirements, risks involved if support requirements are not fully met, and decides on how many support units to fill, given available funding. The Army planned to complete by mid-1995 its Total Army Analysis of support requirements for the two-conflict strategy based on the bottom-up review force.

Army Does Not Have Sufficient Forces to Support Its Current Combat Force

Although the bottom-up review assumed that the Army would have sufficient support forces, the Army cannot support its current active force of 12 divisions, and Army officials anticipate that shortfalls will also exist for the two-conflict combat force. In an earlier Total Army Analysis of support requirements for the 12-division force, the Army was unable to fill 838 support units, including engineer, medical, quartermaster, and transportation units. Although these 838 units, as a whole, represent a small portion of the Army's total support units, they reflect key capabilities that the Army has determined are required to support combat operations.

While the number of active divisions in the two-conflict force is smaller than the current force, the total number of personnel allotted to the Army under the bottom-up review is also smaller, leaving fewer people to fill support units. Army officials involved in the ongoing Total Army Analysis therefore believe the analysis will reveal that the Army cannot fully fill all support units needed for the two-conflict strategy and force.

The Army Would Have Difficulty Providing All Required Support Even for a Single Conflict

In the past, the Army has had difficulty generating sufficient support units for deployed combat forces, and it currently does not have certain types of units called for in plans for a single regional conflict. In 1992, we reported that in trying to support a combat force of about eight divisions during the Persian Gulf War, the Army deployed virtually all of some types of support units and exhausted some units.⁵ For example, the Army deployed virtually all prisoner-handling, postal, and medium truck units and all graves registration, pipeline and terminal operation, heavy truck, and water supply units.

⁵Operation Desert Storm: Army Had Difficulty Providing Adequate Active and Reserve Support Forces (GAO/NSIAD-92-67, Mar. 10, 1992).

Because of favorable conditions, such as a long lead time for deployment, extensive host nation support from Saudi Arabia, a ground offensive of short duration, and the lack of a second conflict requiring a U.S. response, the Army was able to mitigate most of the adverse impact of its support shortfalls during the Gulf War. The bottom-up review strategy and force present a greater challenge because the Army may need to generate support forces for at least 10 active divisions deployed nearly simultaneously, with little warning time, to two major conflicts.

Analysis of current U.S. plans for two particular regional conflicts indicates that the Army would face the same types of difficulties it encountered during the Gulf War. Our examination of the requirements for 17 types of support units⁶ contained in the plans showed that the Army (1) lacks a total of 238 units to meet the requirements of a single conflict and (2) has tasked 654 units to support combat operations in both conflicts. Table 2.1 shows the number of units, by type, that the Army lacks for a single conflict and that are assigned to both plans.

⁶These types represent the types of units that the Army was unable to fill during its 1992 Total Army Analysis process.

**Table 2.1: Army Units in Short Supply
for a Single Regional Conflict and
Tasked to Deploy to Two Conflicts**

Type of unit	Shortfall of units for a single regional conflict	Number of same units tasked to deploy to two conflicts
Aviation	4	40
Chemical	3	32
Engineer	33	94
Medical	84	96
Ordnance	9	32
Quartermaster	20	94
Signal	6	25
Adjutant General	1	20
Chaplain	3	0
Finance	0	9
Military police	40	45
Military law	0	1
Psychological operations	0	1
Military intelligence	2	4
Maintenance	4	22
Headquarters ^a	0	4
Transportation	29	135
Total	238	654

^aThese units consist of personnel that would be assigned to augment command organizations in wartime.

As shown in table 2.1, the largest shortfalls in units required for a single conflict occurred in five types—medical (84 units), engineer (33 units), quartermaster (20 units), military police (40 units), and transportation (29 units), totaling 206 units. For two plans—each covering a different conflict—the shortfall would increase to 338 units. Table 2.2 shows a breakdown of this shortfall.

Table 2.2: Shortfall of Medical, Engineer, Quartermaster, Military Police, and Transportation Units for Two Major Regional Conflicts

Type of unit	Shortfall of units for two conflicts
Medical	96
Engineer	59
Quartermaster	59
Military police	52
Transportation	72
Total	338

We are reporting separately on the Army's ability to provide support forces for the two-conflict strategy, including options for alleviating possible shortfalls. The bottom-up review called for 15 Army National Guard enhanced brigades to execute the two-conflict strategy and about 22 other National Guard brigades—now organized as 8 divisions—for other purposes, including providing the basis for rotational forces in extended crises and fulfilling domestic missions. We believe that these divisions include support units, personnel, and equipment that the Army may be able to draw upon to augment its support capability.

DOD Has Not Fully Defined the Concept of Enhanced Reserve Brigades, and Questions Remain About Their Deployability

The Army's portion of the forces for the two-conflict strategy consists of 10 active divisions and 15 Army National Guard enhanced brigades. The bottom-up review stated that the enhanced brigades were needed to execute the two-conflict strategy and assigned them the broad mission of reinforcing active divisions in regional conflicts. For example, DOD envisioned that these brigades would deploy to one or both conflicts if operations did not go as planned or would replace overseas presence forces redeployed to a regional conflict.

The bottom-up review further stated that, in the future, Guard combat brigades would be organized and filled so that they could be mobilized, trained, and deployed more quickly. It committed the Army to focus on readiness initiatives directed toward the enhanced brigades and established a specific goal to have these brigades ready to begin deployment within 90 days of being called to active duty. In April 1994, the Army Chief of Staff approved the 15 Guard brigades selected—8 heavy brigades and 7 light brigades—as the enhanced brigades.

The Bottom-Up Review Did Not Fully Define the Concept of an Enhanced Brigade

Although DOD assumed that the enhanced brigades would deploy quickly to reinforce active divisions in a regional conflict, it did not analyze the specific wartime requirements for these brigades. DOD officials stated that in analyzing force options for responding to regional conflicts, they used active notional Army brigades and did not test the impact on the war fight of deploying reserve enhanced brigades. Furthermore, DOD did not determine basic factors such as the (1) specific wartime missions of the enhanced brigades and the timing for deploying the brigades, (2) ability of National Guard combat brigades to deploy quickly and fulfill combat missions given readiness problems experienced during the Gulf War, and (3) specific capability enhancements needed to improve the brigades' readiness.

Because fundamental questions remained about the brigades, the Army formed a task force in November 1993 to do an in-depth study of alternatives for organizing, tasking, training, and equipping the brigades. In April 1994, the Army Chief of Staff confirmed, based on the task force's findings, the bottom-up review's assertion that the enhanced brigades would reinforce active forces. However, the brigades' specific missions, such as whether the brigades would conduct combat maneuvers, provide security, or perform other tasks, are still undefined. As discussed in chapter 3, war-fighting commands are just beginning to analyze how and when the enhanced brigades might be used in a regional conflict.

The Army Chief of Staff also determined that the brigades would

- maintain personnel and equipment at the highest readiness level during peacetime and be ready to deploy at this level no later than 90 days after being called up;
- train with specific divisions or corps in peacetime, but maintain the flexibility to operate with any division or corps in wartime;
- focus their training on mission-essential tasks involving movement (maneuvering) to contact with the enemy, attacks on enemy positions, and defense against enemy attacks;
- be of standard Army design for heavy and light brigades and armored cavalry regiments; and
- be equipped and modernized in a manner compatible with active divisions.

The U.S. Army Forces Command was tasked to develop and test a training strategy to ensure that the enhanced brigades meet the 90-day deployment goal. This strategy will include any necessary adjustments to the Army's current training program for Guard combat brigades. Army headquarters

elements were tasked to identify the requirements and costs associated with equipping the brigades. As of January 1995, the Army expected to complete the equipment study in February 1995 and the training strategy in mid-1995. Once the training strategy is completed, the Army envisions that by 1999 it will be tested on only 3 of the 15 brigades. Based on the test results, the Army will decide whether to apply the training strategy to the remaining brigades.

Ability of Enhanced Brigades to Meet 90-Day Deployment Goal Is Uncertain

The bottom-up review's goal to have enhanced brigades ready to deploy within 90 days of being called to active duty is based on Army estimates that the brigades will need 90 days of post-mobilization training to achieve proficiency in more complex skills at higher echelons, such as companies and battalions. However, these estimates assumed that the brigades will have achieved proficiency in basic skills at the individual soldier, crew, and platoon level during peacetime training.

During the Persian Gulf War, three Guard combat brigades were activated, but the Army did not deploy any of these brigades. Instead, they remained in training status until the war was over. As we reported in November 1992,⁷ and testified in March 1994,⁸ the brigades experienced problems in achieving proficiency in basic skills at the time of mobilization. For example,

- many Guard soldiers were not completely trained to do their jobs,
- many tank and Bradley Fighting Vehicle crews were not proficient in gunnery skills, and
- many commissioned and noncommissioned officers had not completed required leadership courses.

As a result, Guard brigades were trained to achieve proficiency in many basic skills, rather than more complex skills, after mobilization. Because the Army believed the brigades were not ready to deploy, it substituted active brigades. Contributing to the brigades' training problems was the fact that reserve forces generally train only about 39 days each year, and a considerable portion of this time can be taken up by administrative matters or in traveling long distances to reach training ranges.

⁷Army Training: Replacement Brigades Were More Proficient Than Guard Roundout Brigades (GAO/NSIAD-93-4, Nov. 4, 1992).

⁸Military Training: Lessons Learned and Their Implications for the Future (GAO/T-NSIAD-94-128, Mar. 10, 1994).

Because of the Gulf War experience, the Army significantly changed its strategy for training Guard combat brigades, including implementing an initiative called Bold Shift. This project, initiated in September 1991, was designed to focus brigade training during peacetime at the basic—individual, crew, and platoon—level. Prior to this initiative, peacetime training encompassed both basic and complex skills.

Our ongoing work on the Bold Shift program suggests that Guard combat brigades are still continuing to experience problems in achieving proficiency in basic skills. For example, as we stated in our March 1994 testimony, 1992 training data for seven existing Guard combat brigades showed that none had reached pre-mobilization training and readiness goals. Our analysis of 1993 training data confirmed that this trend is continuing. We are reporting separately on the specific training problems and progress of Guard combat brigades under Bold Shift.

Some Bottom-Up Review Enhancements May Not Be Completed When Planned or at All

As discussed in chapter 1, the bottom-up review described several specific enhancements to U.S. capabilities as key to the projected force's ability to fight and win two nearly simultaneous conflicts, including improving strategic mobility and the lethality of U.S. firepower. According to DOD, these improvements would compensate for the loss in capability resulting from reductions in forces required in the bottom-up review. Although DOD estimated that most enhancements would be done by about 2000, some may not come on line as planned or at all.

Availability of Certain Strategic Mobility Improvements and Prepositioned Equipment Is Uncertain

To improve strategic mobility, DOD's plans included procuring C-17 airlift aircraft, increasing the number of sealift ships available, improving the responsiveness of the Ready Reserve Force, and prepositioning additional equipment on land. At the time of the bottom-up review, DOD assumed that by 1999, 80 of 120 C-17s and 21 additional Ready Reserve Force roll-on/roll-off ships would be available as planned. By the same time, DOD expected to preposition equipment on ships and increase the amount of equipment prepositioned on land in the Persian Gulf area from a battalion-sized set to two brigade sets, located in two different locations. War-fighting command officials stated that prepositioning this equipment is critical to executing the two-conflict strategy. As of January 1995, DOD, as we reported in November 1994,⁹ had made progress in improving the responsiveness of the Ready Reserve Fleet. It had also prepositioned a

⁹Ready Reserve Force: Ship Readiness Has Improved, but Other Concerns Remain (GAO/NSIAD-95-24, Nov. 8, 1994).

brigade set of equipment on ships and nearly completed prepositioning a brigade set of equipment on land in the Persian Gulf area.

DOD has encountered some problems or funding uncertainties in acquiring additional airlift and sealift and prepositioning the second brigade set on land. Specifically, DOD's assumption that 80 C-17 aircraft would be available by fiscal year 1999 was overly optimistic. Since its inception, the C-17 program has been plagued with cost, schedule, and performance problems. We testified in April 1994 that total costs continued to grow, delivery schedules had slipped, and aircraft had been delivered with unfinished work or known deficiencies.¹⁰ In December 1993, the Secretary of Defense decided to limit the program to 40 aircraft unless the contractor significantly improved management and productivity. Furthermore, as discussed previously, the Secretary also decided to study alternatives for a mixed airlift force of C-17s and nondevelopmental—commercial or military—aircraft. DOD expects to complete the study in November 1995 and at that time will decide whether to procure additional C-17s. As of October 1994, the contractor had delivered 15 C-17 aircraft and planned to deliver the remaining 25 aircraft by September 1998.

As of October 1994, the Department of Transportation had acquired 14 of the 21 Ready Reserve Force ships planned to be available for DOD's mobility program by fiscal year 1999. It planned to acquire the remaining seven ships with funds remaining from fiscal year 1994 and requested for fiscal year 1995. However, during fiscal year 1995 deliberations, the Congress rescinded \$158 million in fiscal year 1994 funds programmed for the seven ships, but provided \$43 million in fiscal year 1995 funds. DOD believes that this funding will be sufficient to procure two ships and plans to program funds for the remaining five ships in its budgets for 1996 to 1998.

DOD's plans to preposition the second of two brigade sets of equipment ashore in the Persian Gulf are also uncertain. As of January 1995, the U.S. Central Command had identified a location for the second set of equipment and reached necessary agreements with the host country. However, according to DOD officials, the Army had obtained funding only for the site survey and the project's design. The Army plans to request funding in its fiscal year 1996 budget submission for the remainder of the project over a 3-year period covering fiscal years 1996-98.

¹⁰Military Airlift: The C-17 Proposed Settlement and Program Update (GAO/T-NSIAD-94-172, Apr. 28, 1994).

Certain Improvements to U.S. Firepower Have Not Been Funded as Expected

The bottom-up review called for various improvements to the lethality of U.S. firepower, including development of precision-guided munitions and the addition of air-to-ground attack capability to the Navy's F-14 aircraft (referred to as the Block I upgrade). At the time of our review, these improvements were part of DOD's ongoing programs and therefore reflected capabilities that were already planned. DOD assumed that sufficient quantities of precision munitions for the two-conflict strategy would be available by about the year 2000 and the Block I upgrade would be completed by the year 2003.

The bottom-up review emphasized that precision-guided munitions already in the U.S. inventory, as well as new types of munitions still under development, are needed to ensure that U.S. forces can operate successfully in future major regional conflicts and other operations. It noted that they hold the promise of dramatically improving the ability of U.S. forces to destroy enemy armored vehicles and halt invading ground forces, as well as destroy fixed targets at longer ranges, thus reducing exposure to enemy air defenses. Specific antiarmor precision munitions cited included the Tri-Service Standoff Attack Missile.

The Tri-Service Standoff Attack Missile will not come on line as planned. Because of significant developmental difficulties and growth in the expected unit cost, DOD canceled the Tri-Service Standoff Attack Missile program. We reported extensively on cost, schedule, and performance problems with the Tri-Service Standoff Attack Missile.¹¹ Furthermore, we concluded that the Navy did not adequately justify the need for the Block I upgrade.¹² During deliberations on DOD's fiscal year 1995 appropriation, the Congress canceled funding for the F-14 Block I upgrade because of questions about its affordability.

Conclusions

The strategy of fighting and winning two nearly simultaneous conflicts will require a significant change in military planning for the deployment and use of U.S. forces. However, in the bottom-up review, DOD determined the strategy, forces, capability enhancements, and estimated costs for accomplishing the strategy without sufficiently analyzing key assumptions to ensure their validity. Until DOD fully analyzes basic factors, such as whether forces engaged in other operations that are needed in the early stages of a regional conflict can quickly redeploy, sufficient mobility and

¹¹Missile Development: TSSAM Production Should Not Be Started as Planned (GAO/NSIAD-94-52, Oct. 8, 1993) and four classified reports issued in 1989, 1991, 1992, and 1993.

¹²Naval Aviation: F-14 Upgrades Are Not Adequately Justified (GAO/NSIAD 95-12, Oct. 19, 1994).

support forces exist, reserve brigades can deploy when needed or improvements in capabilities will be available, it will not have a firm basis for determining the forces, supporting capabilities, and funding needed for the two-conflict strategy or if the strategy should be changed.

Agency Comments and Our Evaluation

DOD disagreed with our overall conclusion that DOD did not adequately analyze the assumptions used in the bottom-up review. DOD said that DOD's leadership recognized practical limitations on the scope of analysis that could be done in the time available and fully considered these limitations in making decisions about key aspects of the long-term defense program.

DOD further stated that, in raising questions about the bottom-up review's assumptions, we did not recognize the difference between broad conceptual force planning and detailed operational planning. DOD said that it did not develop actual war plans, but rather identified broad, but comprehensive, requirements that U.S. forces should be able to meet to carry out crucial elements of DOD's defense strategy. DOD also stated that to ensure adequate force planning, it recognized the need to continually refine and update its assessments. DOD noted that, to date, follow-on analyses have upheld the basic tenets and findings of the bottom-up review. We were unable to confirm DOD's statement regarding the results of the follow-on analyses because DOD will not make these results available until the studies are completed.

We recognize that DOD was faced with time limitations in doing the bottom-up review, and was therefore restricted in the extent of analyses that could be done. We also agree that the bottom-up review was a broad force planning and programming effort rather than a war-planning effort. In fact, in chapters 1 and 3, we clearly distinguish between the bottom-up review and detailed future operational planning.

However, in the bottom-up review, DOD made a specific judgment that the United States would maintain the capability to fight and win two nearly simultaneous major regional conflicts and decided the specific size and composition of the force capable of meeting this strategy. In making these decisions, DOD made critical assumptions about factors that are key to the successful execution of the two-conflict strategy without performing sufficient analyses to test the validity of its assumptions. In fact, DOD and the war-fighting commands are now exploring basic questions about DOD's assumptions, such as whether forces involved in smaller-scale operations can actually be available when needed to deploy to a regional conflict,

whether the same combat forces would be needed at the same time in both regional conflicts and whether the Army has sufficient support for nearly simultaneous combat operations in two conflicts.

DOD also disagreed with our specific findings that (1) it did not assess requirements for shifting assets between regional conflicts, (2) it did not fully assess mobility requirements, and (3) the Army would be challenged in supporting two major regional conflicts. First, DOD stated that it has ample experience in rapidly deploying forces, particularly combat and support aircraft, from one theater to another. DOD said that in its bottom-up review analysis, it made judgments about its future ability to shift assets based on that experience.

We agree that DOD has ample experience in redeploying forces from one theater to another. We note, however, that DOD's experience has not included redeployments from one major regional conflict to another, as envisioned in the bottom-up review and defense planning guidance scenario. Furthermore, as discussed in chapter 3, the war-fighting commands' study has raised questions about shifting assets between conflicts. For these reasons, we continue to believe that the bottom-up review did not adequately assess requirements for shifting assets between conflicts.

Second, DOD stated that in assessing mobility requirements during the bottom-up review, it relied heavily on its 1991 mobility requirements study. DOD believes that it understands the vast majority of its basic lift requirements and capabilities for responding to two nearly simultaneous conflicts. We agree that the 1991 study provided a useful baseline; however, the bottom-up review resulted in significant changes in mobility assumptions. DOD did not begin to analyze these changes until after the bottom-up review. Furthermore, the 1991 study concluded that its recommended mobility program was not sufficient for two concurrent conflicts. Until DOD's reassessment of mobility requirements is complete, we continue to believe that DOD will not know the extent of strategic airlift, sealift, and prepositioning needed to support two major regional conflicts.

Finally, DOD stated that the Army demonstrated, as recently as Operation Desert Storm in 1991, that it can fully support large-scale combat operations in a single major regional conflict. DOD also believes that it is premature to draw conclusions regarding Army support shortfalls until the Army completes its ongoing analysis of support requirements for the two-conflict strategy. We recognize that the Army was able to support

combat operations during Operation Desert Storm; however, as discussed in chapter 2, the Army did encounter difficulties. Also, the operation was conducted under several favorable circumstances; for example, there was no second conflict at the same time. Furthermore, we did not conclude that the Army could not support two major regional conflicts. Rather, we showed that DOD did not analyze the validity of its assumption that sufficient support forces would be available and that various factors suggest that the Army would be challenged in meeting this requirement. We agree that the Army's ongoing analysis will identify specific requirements and shortfalls.

Additional annotated evaluations of DOD's comments are presented in appendix I.

War-Fighting Commands Question DOD's Concept for Responding to Two Nearly Simultaneous Conflicts

War-fighting command officials believe that DOD's concept for responding to two nearly simultaneous major regional conflicts—detailed in defense planning guidance that is being used to develop program and budget requirements—may not be the best approach. Their estimates of key characteristics of a situation involving two nearly simultaneous conflicts and the deployment of forces differ significantly from DOD's estimates, including the amount of warning time for both conflicts and time between the onset of each conflict, mix of combat forces needed to respond to each conflict, and timing of force deployments. As a result, the commands are examining options they believe may maximize the use of U.S. capabilities. Command officials emphasized that they are not suggesting the United States cannot accomplish the two-conflict strategy. Their study is analyzing many of the variables that DOD made assumptions about during the bottom-up review, such as shifting assets between conflicts and the sufficiency of strategic lift.

The May 1994 Defense Planning Guidance Outlines DOD's Concept for Responding to Two Nearly Simultaneous Conflicts

In May 1994, the Secretary of Defense issued his defense planning guidance for the 5-year planning period 1996 to 2001. This guidance provided several illustrative planning scenarios depicting the challenges U.S. forces might face during the planning period and generic force packages representing the types of military capability needed to address these challenges. The specific scenarios covered single regional conflicts, two nearly simultaneous conflicts, and various smaller-scale operations. They included a detailed summary of the situation, enemy objectives and forces, U.S. objectives and forces, projected warning times of enemy attack, a schedule for the deployment of U.S. forces to the conflict area, and assumptions governing the circumstances depicted in the scenario.

According to the defense guidance, the illustrative scenarios, among other things, (1) provide a "technical yardstick" to help focus, develop, and evaluate defense forces and programs in further detail and (2) enable service components to formulate detailed programs that provide levels of readiness, sustainability, support, and mobility appropriate to the bottom-up review's two-conflict strategy. For example, DOD is using the defense planning guidance scenario for two nearly simultaneous conflicts as a basis for its study of mobility requirements, and the Air Force and its Air Mobility Command used the scenario in examining requirements for dual-tasking assets and refueling aircraft (see chap. 2). The Joint Chiefs of Staff will use the defense planning guidance and scenario in apportioning specific forces, strategic lift, prepositioning, and other assets to

war-fighting commanders for accomplishing assigned missions, including responding to regional conflicts.

In general, the defense planning guidance scenario for nearly simultaneous conflicts depicted a situation in which a second conflict breaks out while the United States is engaged in and preoccupied with a major regional conflict a considerable distance away. The scenario envisioned that U.S. combat and supporting capabilities, including strategic mobility, would first be focused on responding to the first conflict until indications of a second conflict were recognized. It made several key assumptions, including the anticipated warning time, number of days separating the two conflicts, forces sufficient to respond to each conflict, additional forces available to the war-fighting commanders if adverse conditions developed, and the timing of various combat phases. Specific details about the scenario and assumptions are classified.

War-Fighting Commands Question Several Aspects of the Defense Planning Guidance Scenario

Two war-fighting commands with responsibility for responding to major regional conflicts question whether the defense planning guidance scenario being used to develop program and budgetary requirements for the two-conflict strategy reflects the best approach. Specifically, they believe that the guidance may not best reflect how two nearly simultaneous conflicts would evolve and how the United States should respond. Their overall concern is that the scenario focuses on responding to the first conflict and then the second conflict and does not sufficiently recognize the value of taking significant action to deter the second conflict when the first conflict occurs. The specific details of the commands' concerns are classified.

The commands are also concerned about specific aspects of the scenario and its assumptions, including the following:

- The warning time for both conflicts and the separation time between the two conflicts are likely to be shorter than DOD envisions.
- DOD's concept for deploying forces may not provide the mix of combat and supporting capability that the two commands believe is necessary to successfully respond to two nearly simultaneous conflicts.
- The scenario does not recognize that both commands have operational requirements for some of the same air, ground, and naval forces and prepositioned equipment that if deployed to the first conflict may not be available when needed for the second conflict.

- The apportionment of strategic airlift and sealift assets is inadequate and should be based on a different concept for deploying forces.
- Both commands will likely require many of the same support forces; however, the scenario only addresses combat forces.
- A higher level of mobilization of reserve forces than called for in the scenario will likely be required.

Because of these concerns, the two commands, in February 1994, initiated a joint study to assess the feasibility of responding to two nearly simultaneous major regional conflicts with the bottom-up review force. They are using a scenario and deployment concept that differs from the defense planning guidance scenario. Command officials emphasized that, by initiating the study, they are not suggesting that the United States cannot accomplish the two-conflict strategy. Rather, they are examining options that they believe (1) lessen the possibility that U.S. forces will be required to engage in two major regional conflicts at the same time and (2) put U.S. forces in a better position to be successful in both conflicts if deterrence fails. This study will examine various aspects of the two-conflict strategy, including the number and type of assets required to shift between conflicts and at what point such a shift could reasonably occur.

As of January 1995, the commands had reached preliminary conclusions and did not expect to complete the study until sometime later in 1995. However, according to command officials, the study thus far has validated many of their concerns about the defense planning guidance scenario and raised questions about DOD's bottom-up review assumptions, including the availability of strategic airlift and support forces, shifting assets between conflicts, and how and when enhanced brigades would be needed. Based on their preliminary study results, the commands hope to influence DOD and Joint Staff thinking in apportioning forces and preparing future defense planning guidance for developing program and budgetary requirements.

Command officials emphasized that their study will not address detailed operational planning for executing the two-conflict strategy or determine specific operational requirements. This process will occur after the Joint Staff formally apportions forces and missions in the Joint Strategic Capabilities Plan—expected to be issued in early 1995. Command officials expect the plan to task them to develop plans and deployment schedules for a single regional conflict scenario in their respective areas, assuming no other conflicts are occurring, and for two nearly simultaneous

conflicts, assuming that their command is involved in the second of the two conflicts. In the past, commands have been tasked only to prepare a concept summary on how they would respond if they were in the second conflict.

Based on the tasking, the commands will develop operational plans followed by detailed deployment schedules for their respective regional conflicts. As part of this process, the commands will determine their specific requirements for executing the plans and schedules, such as combat forces, mobility, sustainability, and munitions. The commands estimate that it would take about 18 months, from the time the Joint Strategic Capabilities Plan is issued, to complete the plans and deployment schedules.

DOD officials agreed that the commands' concept of executing the two-conflict strategy differs from the defense planning guidance and that the commands' study could generate a different baseline for determining defense requirements, budgets, and plans. They stated that reconciling the differences when the study becomes available may be necessary, but until then, the defense planning guidance remains the basis of DOD planning for the two-conflict strategy.

Conclusions

In developing the defense planning guidance scenario that military planners will use to develop program and budget requirements for the two-conflict strategy, DOD used a specific concept for deploying forces and supporting capabilities. Key war-fighting commands believe that the scenario may not reflect the most effective deployment and use of U.S. capabilities and are analyzing alternatives. Their analysis is addressing many of DOD's key bottom-up review assumptions regarding key aspects of the two-conflict strategy and could provide useful insights for determining the validity of these assumptions.

Recommendations

We recommend that in the congressionally mandated examination of the bottom-up review, the Secretary of Defense thoroughly examine the assumptions related to the (1) redeployment of forces from other operations to major regional conflicts, availability of strategic mobility assets and Army support forces, deployability of Army National Guard enhanced brigades, and planned enhancements to strategic mobility and U.S. firepower and (2) consider the options being examined by the war-fighting commands.

Agency Comments and Our Evaluation

DOD agreed with our recommendations and noted that it is conducting detailed studies to address many of the issues raised. DOD stated that it will reflect the results of these studies in its response to the congressionally mandated report on the bottom-up review. As discussed in chapter 2, DOD stated that in raising questions about the bottom-up review's assumptions, we did not recognize the difference between broad conceptual force planning and operational planning for using specific forces to undertake specific operations. We note that DOD's comments imply that the war-fighting commands' study is similar to detailed operational planning. As discussed in chapter 3, the commands are examining options for executing the strategy on a macro scale rather than developing specific detailed plans and requirements.

Comments From the Department of Defense

Note: GAO comments supplementing those in the report text appear at the end of this appendix.



ASSISTANT SECRETARY OF DEFENSE
2900 DEFENSE PENTAGON
WASHINGTON, D.C. 20301-2900



Mr. Henry L. Hinton, Jr.
Assistant Comptroller General
National Security and
International Affairs Division
United States General Accounting Office
441 G Street, N.W.
Washington, DC 20548

17 JAN 1995

Dear Mr. Hinton:

This is the Department of Defense (DoD) response to the General Accounting Office (GAO) draft report titled -- "BOTTOM-UP REVIEW: DOD Has Not Fully Analyzed Key Assumptions," dated December 9, 1994 (GAO Code 701022/OSD Case 9809-X). The Department partially concurs with the report. However, the Department disagrees with the GAO's overall assertion that the assumptions used in conducting the Bottom-Up Review (BUR) were not adequately founded in analysis. DoD also disagrees with several of the GAO findings which reflect a failure of the GAO to adequately distinguish between conceptual force planning and more detailed operational planning.

The Bottom-Up Review was conducted by the Department of Defense between February and October 1993. The review, which established the architecture for the Clinton Administration's long-term defense program, was carried out in a collaborative effort that involved extremely close cooperation between civilian and military staffs in DoD. Task forces comprised of representatives drawn from elements throughout the Department of Defense -- including the Office of the Secretary of Defense (OSD), the Joint Staff, the unified commands, each of the Armed Services, and, where appropriate, other Defense agencies -- reviewed major issues regarding defense strategy, forces, modernization programs, new defense initiatives and other defense foundations.

The findings of the Bottom-Up Review are based on detailed assessments of U.S. interests in the international environment, future American security needs, including assessments of post-Cold War threats, and the mobility requirements, combat capabilities, and support needs associated with a range of prospective U.S. military operations. These analyses, some of which drew upon work already underway prior to the commencement of the Bottom-Up Review, encompassed large-scale



quantitative studies of future warfare and conveyed to DoD's leadership the best judgments of military and civilian experts. The intimate involvement of the Secretary of Defense and the Chairman of the Joint Chiefs of Staff throughout the process ensured that the major findings of the Bottom-Up Review were thoroughly reviewed at every step and supported throughout the Department.

Accordingly, DoD views with concern the negative tenor of the GAO report, which implies the main conclusions of the Bottom-Up Review were based upon an incomplete, and therefore, flawed, analysis. At the time the BUR was conducted, DoD's leadership recognized there were practical limitations on the scope of the analysis that could be conducted in the time available. DoD fully considered these limitations in constructing the review and making cardinal decisions about key aspects of the long-term defense program. The Department also recognized the need for follow-on analyses to refine and extend the conclusions of the BUR and to provide a firm basis for its implementation.

In raising questions about the BUR assumptions, the GAO report often fails to distinguish between broad conceptual force planning and detailed operational planning. In undertaking the Bottom-Up Review, Joint Staff and OSD personnel did not develop actual war plans, but rather conducted a force planning and programming effort. They utilized analyses of illustrative theater warfare scenarios, overseas presence, and other contingency operations, to identify requirements representative of those that U.S. forces should be able to meet in order to carry out crucial elements of U.S. defense strategy. Those requirements were outlined in broad but comprehensive terms to initiate the force planning and programming process. The Department recognized from the outset that adequate force planning would demand that DoD continually refine and update these assessments, and the Department has continued to do so since the BUR. To date, follow-on analyses have upheld the basic tenets and findings of the BUR while guiding DoD in making modest adjustments in the plans and programs needed to implement U.S. defense strategy.

As described in the enclosure, a number of the GAO findings are inaccurate or misleading. In those areas where the GAO correctly calls for follow-up analysis, the Department came to similar conclusions over a year ago and such assessments are already well underway. To date, those studies have confirmed the judgments of the DoD senior civilian and military leadership that current and programmed forces will continue to be able to execute successfully the national security strategy.

Appendix I
Comments From the Department of Defense

3

DoD concurs with the GAO recommendations and is taking appropriate action. The status of these actions will be reflected in the congressionally mandated report on the Bottom-Up Review, due in mid-1995. In addition, the Office of the Secretary of Defense is continuing to work with the Joint Staff, the warfighting commands, and the Services, to develop and assess new approaches to conducting operations.

Detailed DoD comments on the report's findings and recommendations are provided in the enclosure. Additional technical comments were provided separately to the GAO staff. The Department appreciates the opportunity to comment on the draft report.



Edward L. Warner, III

Enclosure

GAO FINAL REPORT - DATED DECEMBER 9, 1994
(GAO CODE 701022) OSD CASE 9809-X

"BOTTOM-UP REVIEW: DOD HAS NOT FULLY ANALYZED KEY
ASSUMPTIONS"

DEPARTMENT OF DEFENSE COMMENTS

FINDINGS

FINDING A: The DoD Bottom-Up Review Selected the Two-Conflict Strategy. The GAO reported that the DoD Bottom-Up Review (BUR) evaluated various strategy and force options for countering regional aggression. The GAO also reported that DoD considered requirements for conducting (1) peace enforcement or intervention operations in smaller-scale conflicts or crises, (2) overseas presence, and (3) deterrence of attacks with weapons of mass destruction. The GAO observed that the DoD selected a two-conflict strategy option. The GAO noted that strategy envisions that U.S. forces would be engaged in offensive operations in two conflicts nearly simultaneously and would require DoD to meet the requirements of the two warfighting commanders at the same time. The GAO noted that the DoD determined the force structure capable of executing the strategy and meeting requirements for overseas presence and smaller-scale operations, and needed enhancements to their capabilities. The GAO noted that specific enhancements included improving strategic mobility -- airlift, sealift, and prepositioning -- and the lethality of U.S. firepower. The GAO pointed out that the DoD estimated that the Army, Navy, Air Force and Marine Corps force would be in place by 1999, strategic nuclear forces would be in place by 2000, and that most enhancements would be done by 2000.

The GAO reported that according to the BUR, the DoD estimated the cost of the BUR program and matched it against the President's directive for reducing the defense budget by \$104 billion. The GAO added that DoD estimated that the program would achieve \$91 billion in total savings during FY 1995-1999, and that additional savings would be identified during DoD's normal program and budget review.

The GAO noted that the FY 1995 National Defense Authorization Act requires the Secretary of Defense to re-examine the BUR assumptions and

Enclosure
Page 1 of 17

Now on pp. 3-5.

conclusions regarding force and budgetary requirements and report to the President and Congress in mid-1995. (pp. 1-3/GAO Draft Report)

DOD Response: Concur. The term "two major regional conflict (MRC) strategy" is not an appropriate characterization of the defense strategy outlined in the BUR. In actuality, that defense strategy calls for U.S. military forces to be able to protect and advance U.S. interests by carrying out a wide range of activities, as the GAO report recognizes. Those activities include:

- Deterring and defeating regional aggression (including the need to be able to fight and win two nearly simultaneous MRCs);
- Conducting smaller-scale operations, including peace enforcement and intervention operations, humanitarian relief efforts, noncombatant evacuations, counter-terrorism, and others;
- Providing overseas presence through the routine stationing and deployment of forces in critical regions; and
- Deterring and preventing effective attacks with weapons of mass destruction, either against U.S. territory, U.S. forces, or the territory and forces of U.S. allies.

The BUR laid out a force structure for U.S. general purpose and mobility forces capable, among other things, of fighting and winning two nearly simultaneous MRCs. This is a characterization of that force structure and not a strategy. Forces programmed under BUR guidance will also be capable of supporting the broader demands of the Administration's national security strategy.

FINDING B: Forces Involved in Other Operations May Not Be Immediately Available for A Regional Conflict. The GAO reported that in determining force requirements for the two-conflict strategy, DoD assumed that forces already engaged in other operations (such as peacekeeping) could redeploy to a regional conflict. The GAO concluded that DoD did not analyze the feasibility or requirements of such a redeployment. The GAO found that DoD did not consider (1) whether combat and support forces designated to redeploy would first require readiness upgrades, (2) requirements for diverting airlift and sealift assets to pick up personnel and equipment from the operation, and (3) the impact on the warfighting commander involved in a regional conflict, if combat and support forces engaged in other operations were not immediately available. The GAO further asserted that DoD did not begin to analyze its assumption on redeploying forces from operations other than war

Enclosure
Page 2 of 17

until after completing the BUR. The GAO noted that in July 1994, the Army initiated a study of the impact of peace operations on Army requirements which will not be completed until early to mid-1995.

The GAO concluded that it would be difficult for certain support and combat forces to disengage and quickly redeploy to a major regional conflict. The GAO asserted that (1) many Army support forces and specialized Air Force combat aircraft, such as the F-4G and F-15E, typically deployed to peace operations are the same forces needed in the early stages of a regional conflict; (2) some support forces, such as transportation units that move personnel and cargo through ports, could not immediately redeploy because they would be needed to assist in redeploying other forces; and (3) while Air Force aircraft and aircrews could easily fly from the peace operation to a regional conflict, the maintenance and logistics support needed to keep the aircraft flying – supplies, equipment, and personnel – would have to wait for available airlift. The GAO added, therefore, obtaining sufficient airlift to redeploy forces from a peace operation would be challenging because already limited airlift assets committed to deploying forces to the regional conflict would have to be diverted to pick up those forces. The GAO further added that forces may need to upgrade their training, equipment, and supplies before redeploying. (p. 4., p. 8, pp. 28-31/GAO Draft Report)

DOD Response: Partially concur. It is correct that the Bottom-Up Review did not analyze in detail all aspects of the problem of redeploying assets from one operation to another. However, the GAO report reflects a basic misunderstanding about the DoD concept for managing, deploying, and employing forces and other assets in theater warfare.

In general, combat forces that might be engaged in peace operations would not be among those sent to the opening phase of operations in a major regional conflict. Exceptions to this, such as certain types of specialized aircraft, may be readily redeployed and generally exist in sufficient numbers such that redeployment would not be necessary for the initial operations of a single MRC. Moreover, the commitment to withdraw forces from peace operations and redeploy them to fight and win MRCs was judged in the BUR as likely to be required only in the event of two nearly simultaneous MRCs. In such cases, most of the forces and support capabilities would be redeployed to assist in accumulating the capabilities needed to mount a decisive counteroffensive in the second major conflict. Consequently, there would be many weeks between the outbreak of the first conflict and the need to commit forces to the latter stages of the second. This being the case, time would be available to provide units with retraining, restocking, and other "readiness upgrades" prior to their being committed to operations in a major regional conflict.

Enclosure
Page 3 of 17

Now on pp. 5, 7-8,
and 23-24.

See comment 1.

See comment 2.

The GAO report also fails to recognize that deploying forces from one operation to another does not, in and of itself, generate lift requirements greater than those associated with deploying from their home station.

See comment 3.

It should also be recognized that U.S. forces and commanders have numerous options available for coping with potential shortages in many support areas. Those options include early call-up of reserve units, increased use of contractors and host-nation support, and reliance on the assets of selected coalition partners.

The GAO report is correct in noting that certain support assets are available only in limited numbers within the active component and that those assets could be largely or fully employed in small-scale operations. The Bottom-Up Review focused primarily on defense strategy, overall force structure, and modernization programs; it was anticipated that detailed planning regarding "below the line" support assets would be carried out subsequently. As noted by the GAO, those planning efforts are now underway.

FINDING C: The Bottom-Up Review Did Not Assess Requirements for Shifting Assets Between Regional Conflicts. The GAO reported that according to the BUR, certain specialized units or unique assets might be dual-tasked -- shifted from the first regional conflict to the second conflict. The GAO asserted, however, that the BUR did not analyze how shifting assets from one conflict to another would be accomplished. The GAO found that DoD did not perform specific analyses to determine (1) the specific types and numbers of assets required to be dual-tasked, (2) when they could be redeployed, or (3) whether sufficient logistical support, such as airlift, refueling aircraft, air crews, or spare parts kits, was available for the redeployment. The GAO pointed out that according to DoD, because a model for two nearly simultaneous conflicts does not exist, the modeling conducted during the BUR to determine force requirements did not simulate the shifting of assets from one conflict to another, but identified a specific number of assets required for each conflict and assumed that dual-tasking would compensate for any shortfalls.

The GAO reported that subsequent to the BUR, the Air Force and its Air Mobility Command began analyzing the implications and requirements for dual-tasking based on assumptions contained in the Secretary of Defense's May 1994 Defense Planning Guidance. The GAO noted that according to Air Force officials, they are continuing to analyze the requirements for dual-tasking, including the availability of air crews and spare parts kits. The GAO further noted that, at the direction of the Chairman of the Joint Chiefs of Staff, DoD plans to conduct a wargame analysis of the two-conflict strategy,

Enclosure
Page 4 of 17

Now on pp. 5, 8, and
24-25.

beginning in November 1994, that will examine several variables, including requirements for dual-tasking, expected to be completed sometime in 1995. The GAO added that warfighting commands are examining dual-tasking, including how many and what type of assets would need to shift and at what point in the conflict such a shift could reasonably occur, but until that analysis is completed in 1995, and its results are reconciled with ongoing Air Force and DoD studies, the specific requirements for dual tasking will not be known. (p. 4, pp. 8-9, pp. 31-33/GAO Draft Report)

DoD Response: Nonconcur. The GAO concludes that DoD "did not assess requirements for shifting assets between regional conflicts." The GAO misinterpreted the purpose of the BUR. The BUR was never intended to be an operational planning document. Rather, the BUR was focused on force structure planning and programming. Force planning and programming must provide forces and support assets for a wide range of possible future operations. Operational planning entails making preparations to use specific forces to undertake specific operations. Requirements for shifting specific forces are entirely scenario-dependent. DoD has ample experience in rapidly deploying forces, particularly combat and support aircraft, from one theater to another. The Department has shifted such forces in the past, and, based on that experience, made judgments about the future ability to shift them, in general terms, in the two-MRC analysis supporting the BUR.

DoD concluded that with the force structure adopted in the BUR, under most projected circumstances, the United States would not be required to move heavy ground forces from one conflict to another. Rather, DoD would expect to redeploy only selected, readily deployable forces, such as fighter/attack, support, and bomber aircraft and possibly U.S. Marine assault forces embarked as an amphibious task force. DoD considerations in the BUR were based on realistic, experienced-based assumptions about the ability to shift selected assets between theaters.

See p. 38.

FINDING D: The Bottom-Up Review Did Not Fully Assess Mobility Requirements for the Two-Conflict Strategy. The GAO reported that according to DoD, sufficient strategic mobility -- airlift, sealift, and prepositioning of equipment at forward locations -- is needed to successfully execute the two-conflict strategy. The GAO added that the BUR called for specific enhancements to the DoD existing strategic mobility capability -- most of which DoD had identified in its 1991 mobility requirements study. The GAO noted that according to the mobility study, the recommended program reflected a moderate-risk and affordable mobility force for a single regional conflict that would enable DoD to move four and two-thirds Army divisions in six weeks. The GAO noted that the study also concluded that its

Enclosure
Page 5 of 17

recommended program was not sufficient to handle a second concurrent major regional conflict. The GAO added that the BUR endorsed the mobility study recommendations.

The GAO reported that after completing the BUR, DoD initiated a detailed analysis of mobility requirements for the two-conflict strategy to validate its recommendations in the 1991 mobility study and the BUR. The GAO noted that this study, according to DoD, was required because of significant changes resulting from the BUR and delays in the DoD's mobility program. The GAO pointed out that by January 1995, DoD expects to complete its study, identifying any changes in mobility requirements and necessary adjustments to its mobility program. The GAO added that subsequently, DoD will identify the appropriate mix of specific airlift aircraft – C-17 and alternatives to the C-17 – by November 1995. The GAO asserted that until the two studies are complete, DoD will not know the overall mobility requirements and related costs for its two-conflict strategy. (p. 4, pp. 9-10, pp. 33-36/GAO Draft Report)

DOD Response: Nonconcur. DoD understands the vast majority of the basic lift requirements and capabilities needed to fight and win two nearly simultaneous conflicts. The Mobility Requirements Study (MRS), completed in January 1991, was perhaps the most thorough assessment of DoD strategic mobility capabilities ever conducted. While the MRS concentrated on a single MRC scenario in Korea or the Gulf, it addressed two concurrent MRCs as well. The MRS, therefore, provided the Joint Staff and thus DoD with an extensive source of analysis to support the BUR's assessment of mobility requirements.

DoD recognized during the BUR that the Department would wish to examine a wider range of mobility assumptions, and subsequently initiated the MRS BUR Update (MRS BURU) to refine DoD mobility requirements for the forces and scenarios that were outlined. The MRS BURU is a detailed examination of selected aspects of DoD mobility needs focusing on the demanding requirements of a two nearly simultaneous MRC scenario. To date, it has confirmed the validity of the choices made in the BUR.

FINDING E: The Army Does Not Have Sufficient Forces to Support Its Current Combat Force. The GAO found that the Army cannot support its current active force of 12 divisions and according to Army officials, anticipates that shortfalls will also exist for the two-conflict combat force. The GAO asserted that while the number of active divisions in the two-conflict force is smaller than the current force, the total number of personnel allotted to the Army under the BUR review is also smaller, leaving fewer people to resource support units. The GAO noted that according to Army officials involved in

Enclosure
Page 6 of 17

Now on pp. 5, 8-9,
and 25-27.

See page 38 and
comment 4.

Now on pp. 5, 9, and
27-28.

conducting the ongoing Total Army Analysis, the analysis will reveal that the Army will be unable to fully resource all support units needed for the BUR's two-conflict strategy and force. (p. 4, pp. 38-39/GAO Draft Report)

DoD Response: Nonconcur. The GAO findings that certain combat service support units are in short supply within the Army's active component are based on the outcome of the Total Army Analysis-2001 (TAA-01). The TAA-01 determined combat support and combat service support structure for the antecedent of the Bottom-Up Review, the 12 active division "Base Force." The GAO correctly points out that the Army was unable to resource some of the support requirements for that larger Army force, as identified in the TAA-01. However, the risk associated with those relatively small force shortfalls was determined to be acceptable.

As the active Army force structure is reduced to 10 divisions, plans call for aggregate active and reserve end-strength to decrease by only 13,000 as compared to the Base Force. That will give the Army the flexibility to provide more support units in areas of need. In many cases, the expanded use of host-nation support, contractors and other resources can also be employed to provide workable alternatives. The Army is currently addressing its force structure requirements (both active and reserve component) and potential enhancements to the BUR force via its Total Army Analysis-2003 (TAA-03), projected for completion by June 1995. Until the TAA-03 is complete, it is premature to draw conclusions regarding shortfalls in the Army support structure.

See comment 5.

FINDING F: Analysis of Current Plans Indicates the Army Would Have Difficulty Providing All Required Support for Even A Single Conflict. The GAO asserted that the Army, in the past, has had difficulty generating sufficient support units for deployed combat forces and is currently short of certain types of units called for in plans for a single regional conflict. The GAO added that the BUR strategy and force presents a greater challenge because the Army may need to generate support forces for at least 10 active divisions deployed simultaneously to two major conflicts with little warning time. The GAO asserted that analysis of current U.S. plans for two particular regional conflicts indicates that the Army would experience the same types of difficulties in supporting combat operations in a single conflict and in two conflicts, as occurred during the Gulf War. The GAO found that the Army (1) lacks a total of 238 units to meet the requirements of a single conflict, and (2) has assigned 656 units to both plans -- those units are tasked to support combat operations in both conflicts. The GAO noted that the largest shortfalls in units required for one plan covering a single conflict occurred in five types -- medical (84 units), engineer (33 units), quartermaster (20), military

Enclosure
Page 7 of 17

Now on pp. 5, 9, and
28-31.

See pp. 38-39.

See comment 6.

police (40 units), and transportation (29 units) totaling 206 units. The GAO added that for two plans -- each covering a different conflict -- the shortfall would increase to a total of 356 units. (p. 4, p. 10, pp. 39-42/GAO Draft Report)

DoD Response: Nonconcur. The Army has demonstrated, as recently as Operation Desert Storm in 1991, that it can fully support large-scale combat operations in a single major regional conflict. While computer-generated analyses of support "requirements" may identify shortfalls in certain specific unit types, such analyses do not fully account for the ways in which alternative approaches may be able to perform the functions of those units. As noted in the DoD response to Finding E, those alternatives include the expanded use of host-nation support, contractors and other resources.

The GAO report asserts that a total of 656 Army support units are dual-tasked and implies that this would preclude effective U.S. operations in two MRCs. However, the existence of dual-tasked units does not necessarily represent the existence of a shortfall in capabilities. The GAO findings appear to have been derived from Time Phased Force Deployment Data (TPFDD) supporting specific Commander-in-Chief (CINC) warplans. Both the data and the plans are based on the 1993-95 Joint Strategic Capabilities Plan (JSCP), which assumed a 12 division active component force structure. Therefore, combat support (CS)/combat service support (CSS) dual-taskings shown in the report probably overstate the potential shortages.

It is premature to draw conclusions regarding shortfalls in the Army support structure. Until the TPFDDs are developed for both MRCs occurring nearly simultaneously, the extent of actual shortages cannot be determined. The ongoing TAA-03 will identify current warfighting support requirements and allocate available force structure for the BUR force.

FINDING G: The Bottom-Up Review Did Not Fully Define the Concept of An Enhanced Brigade. The GAO asserted that although DoD assumed that 15 enhanced brigades would deploy quickly to reinforce active divisions in a regional conflict, the BUR did not analyze the specific wartime requirements for those brigades. The GAO noted that according to DoD officials, in modeling force options, DoD used notional Army support forces and did not test the impact on the war fight of deploying enhanced brigades. The GAO added that according to DoD, in conducting the BUR, it did not determine basic factors such as the (1) specific wartime missions to be performed by the enhanced brigades and at what point in the conflict the brigades would be needed, (2) ability of National Guard combat brigades to deploy quickly and perform combat missions in light of readiness problems experienced during

Enclosure
Page 8 of 17

the Gulf War, and (3) specific capability enhancements needed to improve the brigades' readiness.

The GAO reported that the Army Chief of Staff determined that the brigades would maintain personnel and equipment at the highest readiness level during peacetime and be ready to deploy at that level no later than 90 days after being called up. The GAO reported that the U.S. Army Forces Command was tasked to develop and test a training strategy to ensure that the enhanced brigades meet the 90 day deployment goal and the Army headquarters was tasked to identify the requirements and costs associated with equipping the brigades. The GAO noted that as of October 1994, the Army expected to complete the equipment study in December 1994 and the training strategy in mid-1995. The GAO pointed out that once the training strategy is approved, Army officials envision that, by FY 1999, it will be tested on only 3 of the 15 brigades. The GAO added that based on the test results, the Army will decide whether to apply the training strategy to the remaining brigades. (pp. 4-5, p. 10, pp. 43-46/GAO Draft Report)

DoD Response: Partially concur. While the BUR did not attempt to define all aspects of the Army's National Guard Enhanced Brigades (ARNG EBs), the BUR did define the major parameters of those units. Specifically, the BUR envisaged that each of those units would:

- be a combat brigade, rather than a division, permitting quicker mobilization and training to meet required readiness levels;
- serve as an additional brigade to supplement active divisions;
- provide an appropriate combination of heavy and light capabilities;
- be brought to the needed combat readiness for commitment to the theater within 90 days after its mobilization; and
- most likely be used (if at all) in operations during the latter phases of a second MRC.

Although the BUR did not analyze the specific wartime requirements for the ARNG EBs, on April 12, 1994, the Chief of Staff of the Army approved a comprehensive plan for creation of ARNG EBs. That concept encompasses employment strategy, missions and functions, deployment standards, alignment with active component divisions and corps for training, and development and test of an Enhanced Training Strategy. The concept also includes resourcing priorities to sustain the EBs at C-1 -- the highest level of readiness -- in the categories of personnel, equipment on-hand, and

Enclosure
Page 9 of 17

Now on pp. 5, 9, and
31-33.

equipment readiness during premobilization. EBs will also be resourced to maintain a floor of C-3 for training during premobilization; that is, they will be ready to perform combat missions within 90 days of activation. All 15 ARNG EBs will be fully resourced to achieve those standards by the end of FY 1999. All additional EB personnel authorizations are now in place; increased training support structure for EBs will be in place by FY 1997; and command and control, and other force structure modernization goals for all 15 EBs will be achieved by FY 1999.

The GAO correctly notes that the Army was also tasked to identify the requirements and costs associated with implementing this concept. The Army expects to complete the requirements and cost study in January 1995 and the training strategy in mid-1995.

Finally, it should also be noted that the analyses supporting the BUR concluded that the enhanced readiness brigades would not be needed to conduct two nearly simultaneous MRCs under normal circumstances. Rather, the brigades provide a hedge against the possibility of unforeseen challenges or adverse circumstances.

See comment 7.

FINDING H: Ability of Enhanced Brigades to Meet 90 Day Deployment Goal Is Uncertain. The GAO reported that the BUR goal of having enhanced brigades ready to deploy within 90 days of being called to active duty is based on Army estimates that 90 days of post-mobilization training will be required for the brigades to achieve proficiency in more complex skills at higher echelons, such as companies and battalions. The GAO asserted, however, these estimates assumed that the brigades will have achieved proficiency in basic skills at the individual soldier, crew, and platoon level during peacetime training. The GAO pointed out that during the Gulf War, three Guard combat brigades were activated, but the Army did not deploy any of those brigades. The GAO noted that instead, they remained in training status until the war was over because DoD believed the brigades were not ready to deploy and the Army substituted active brigades.

The GAO reported that because of the Gulf War experience, the Army significantly changed its strategy for training Guard combat brigades, including implementing an initiative called Bold Shift, initiated in September 1991, designed to focus brigade training during peacetime at the basic – individual, crew, and platoon – level. The GAO asserted that based on ongoing GAO work on the Bold Shift program, Guard combat brigades are still continuing to experience problems in achieving proficiency in basic skills. The GAO noted that its March 1994 testimony stated that annual training data for 1992 showed that none of the Guard combat brigades had

Enclosure
Page 10 of 17

Now on pp. 5, 9, and
33-34.

See comment 7.

reached premobilization training and readiness goals. The GAO added that ongoing GAO analysis of 1993 training data suggests the trend is continuing. (pp. 4-5, pp. 10-11, pp. 46-48/GAO Draft Report)

DoD Response: Partially concur. The BUR recognized it would require several years to resource the enhanced brigades and to develop the desired readiness levels. DoD anticipates that the enhanced readiness brigades, like other enhancements, will be fielded in significant numbers by the end of the decade. Planning to train and deploy units as brigades, as opposed to independent divisions, will significantly reduce the complexity of their training and, hence, the time needed to prepare them for combat.

The Army is committed to the enhanced readiness brigade concept and is taking the necessary steps to ensure the brigades are fully capable of accomplishing all the EB missions in accordance with established guidance.

FINDING I: Availability of Certain Strategic Mobility Improvements and Prepositioning Is Uncertain. The GAO reported that to improve strategic mobility, DoD plans included procuring C-17 airlift aircraft, expanding the number of ships in the Ready Reserve Force, and prepositioning additional equipment on land. The GAO pointed out that to improve strategic mobility, DoD (1) assumed that by FY 1999 80 of 120 planned C-17s and 21 additional Ready Reserve Force ships would be available, and (2) expected, by the same time, to preposition equipment on ships and increase the amount of equipment prepositioned on land in the Persian Gulf area from a battalion sized set to two brigade sets, located in two different locations. The GAO reported that the DoD assumption that 80 C-17 aircraft will be available by FY 1999 was overly optimistic. The GAO added that in December 1993, the Secretary of Defense decided to limit the program to 40 aircraft and deferred a decision to buy more C-17s until November 1995. The GAO noted that as of October 1994, the contractor had delivered 15 C-17 aircraft and planned to deliver the remaining 25 aircraft by September 1998.

The GAO reported that as of October 1994, the Department of Transportation had acquired 14 of the 21 Ready Reserve Force ships planned to be available for the DoD mobility program by FY 1999, and the remaining ships would be acquired with funds left over from FY 1994 and funds requested for FY 1995. The GAO observed, however, during FY 1995, the Congress rescinded \$158 million in FY 1994 funds programmed for the 7 ships and did not approve any FY 1995 funds. The GAO reported that as of October 1994, DoD and the Department of Transportation were discussing alternatives for funding the remaining ships. The GAO noted that because of congressional reluctance to fund large overseas construction projects, the Army plans to request funding,

Enclosure
Page 11 of 17

in its FY 1996 budget submission, for the remainder of the project over a three year period covering FY 1996-1998.

The GAO reported that DoD plans to preposition the second of two brigade sets of equipment ashore in the Persian Gulf are also uncertain. The GAO noted that as of October 1994, the first set had been prepositioned and U.S. Central Command had identified a location for the second set of equipment and reached necessary agreements with the host country. The GAO added that according to DoD officials, the Army had obtained funding only for the site survey and a portion of the project design. (p. 5, p. 11, pp. 49-51/GAO Draft Report)

DoD Response: Partially concur. The GAO assessment of the uncertainty of the current availability of certain strategic mobility improvements and prepositioning is overstated. The GAO failed to recognize several important improvements in strategic mobility posture implemented in recent years: The Ready Reserve Force (RRF) is dramatically improved; the C-17 is flying; non-developmental airlift aircraft initiatives are moving forward; and the Army heavy brigade set prepositioned in Kuwait, as well as an interim heavy brigade set afloat, are now in place.

The report implies that "cost and technical problems" with the C-17 have undermined the BUR's validity. In fact, the C-17 is performing well, and DoD has identified a solution to military airlift needs -- procurement of sufficient numbers of non-developmental airlift aircraft (NDAA) -- if the Department eventually elects not to procure the full complement of C-17s. A study of the capabilities and costs of differing mixes of new airlift aircraft is now underway with results expected by the fall of 1995. In any case, funds sufficient to fully replace the capacity of the C-141 fleet and to meet DoD needs are provided in the DoD budget. Delivery of the full complement may very well be late as the GAO states, but DoD will meet its needs.

The GAO report correctly states that in FY 1995, the Congress rescinded \$158 million in FY 1994 funds for the RRF. However, the report should also note that the Congress has provided \$43 million in the National Defense Sealift Fund (NDSF) for RRF acquisition. That amount should be sufficient to acquire two of the seven roll-on/roll-off (RO/RO) ships called for in the BUR. Operations and Maintenance funding for the RRF has already been incorporated into the Budget, and acquisition of the remaining 5 RO/RO ships should be addressed in Program Objective Memorandum-98.

In the follow-on MRS BURU study, the Department is continuing to refine its assessment of lift and mobility requirements. DoD maintains that the mobility and lift delays outlined by the GAO will not negate the fundamental

Enclosure
Page 12 of 17

Now on pp. 5, 9-10, and 34-35.

See comment 8.

See comment 8.

See comment 9.

BUR concepts. While a certain amount of uncertainty may exist regarding the future availability of some mobility enhancements, lift has retained a high priority in DoD initiatives, and resources have been identified in the DoD program to fund all required enhancements.

FINDING J: Certain Improvements to U.S. Firepower Have Not Been Funded As Expected. According to the GAO, the BUR called for various improvements to the lethality of U.S. firepower, including development of precision-guided munitions such as the Tri-Service Standoff Attack Missile, and adding air to ground attack capability to the Navy's F-14 aircraft, referred to as the Block I upgrade. The GAO noted that DoD assumed that sufficient quantities of precision-guided munitions for the two-conflict strategy and the Block I upgrade would be complete by the year 2000.

The GAO asserted that DoD plans for acquiring the Tri-Service Standoff Attack Missile may not come on line as planned. The GAO pointed out that because of continuing technical problems, the Congress, in acting on the DoD FY 1995 appropriation, denied the Air Force funding for procurement of this munition and provided funding only for further research and development efforts. The GAO also noted that, during deliberations on the DoD FY 1995 appropriation, the Congress canceled funding for the F-14 Block I upgrade because of questions about its affordability. (p. 5, p. 12, pp. 51-52/GAO Draft Report)

DoD Response: Partially concur. The GAO report is correct that the Tri-Service Standoff Attack Missile (TSSAM) and Block I upgrade to provide precision ground attack capability for the F-14 anticipated in the BUR have not been funded. However, the report failed to recognize that most of the advanced munitions programs and aircraft upgrades important to the enhancement of U.S. capabilities to fight and win future regional conflicts remain on track. These programs include: advanced anti-armor munitions, such as the Sensor Fuzed Weapon and the Brilliant Anti-Armor Submunition; the Longbow system for the Apache helicopter; the Joint Direct Attack Munition; upgrades to the heavy bomber force; and others. The report also did not note that the FY 1995 DoD budget includes increased procurement of existing systems such as the Army Tactical Missile System (ATACMS), Conventional Air Launched Cruise Missile (CALCM) and Have Nap, whose capabilities partially offset the loss of the TSSAM procurement.

FINDING K: Warfighting Commands Question Several Aspects of the Defense Planning Guidance Two-Conflict Scenario. The GAO asserted that two warfighting commands responsible for responding to major regional

Enclosure
Page 13 of 17

Now on pp. 5, 10, and 36.

See comment 10.

conflicts question whether the defense planning guidance scenario being used to develop program and budgetary requirements for the two-conflict strategy is realistic. The GAO noted that the commands' overall concern is that the scenario focuses on responding to the first conflict and then the second conflict, and does not sufficiently recognize the value of taking significant action to deter the second conflict when the first conflict occurs. The GAO asserted that the commands are also concerned about specific aspects of the scenario and its assumptions, such as:

- the separation time between the two conflicts is likely to be shorter than DoD envisions;
- the DoD concept for deploying forces may not provide an appropriate mix of combat and supporting capability;
- the scenario does not recognize that both commands have operational requirements for some of the same air, ground, and naval forces, and prepositioned equipment such that these assets, if deployed to the first conflict, may not be available when needed for the second conflict;
- the apportionment of strategic airlift and sealift assets is inadequate and should be based on a different concept for deploying forces;
- both commands will likely require many of the same support forces, however, the scenario only addresses combat forces; and
- a higher level of mobilization of reserve forces than called for in the scenario will likely be required.

The GAO reported that because of these concerns, in February 1994, the commands initiated a joint study to examine the options for responding to two nearly simultaneous conflicts with the BUR force, based on a scenario that differs from the defense planning guidance scenario. The GAO noted that the study will address many of the same aspects of the strategy that DoD made assumptions about during the BUR and is currently analyzing, including shifting assets from one conflict to another, sufficiency of strategic mobility and support forces, and the use of enhanced brigades. The GAO added that command officials emphasized that they are not suggesting that the U.S. cannot accomplish the two-conflict strategy. The GAO commented, rather, that they are examining options that will (1) lessen the possibility that U.S. forces will be required to engage in two major regional conflicts at the same time and (2) put U.S. forces in a better position to be successful in both conflicts if deterrence fails.

Enclosure
Page 14 of 17

The GAO reported that as of October 1994, the commands had reached preliminary conclusions and did not expect to complete the study until sometime in 1995. The GAO added that command officials emphasized that their study will not address detailed operational planning for executing the two-conflict strategy or determine specific operational requirements. The GAO noted that according to the commands, that process will occur after the Joint Staff formally apportions forces and missions in the Joint Strategic Capabilities Plan -- expected to be issued by the end of 1994. (pp. 5-6, pp. 12-13, pp. 56-60/GAO Draft Report)

Now on pp. 5-6, 10-11,
and 40-43.

DoD Response: Nonconcur. As discussed in the DoD response to Finding C, the GAO report fails to recognize the difference between the BUR, which focused on force planning and programming, and the operational responsibilities of the warfighting commands. Force planning and programming must provide forces and support assets for a wide range of possible future operations. Operational planning entails making preparations to use specific forces to undertake specific operations. The concerns and perspectives of the CINCs were represented in the BUR process, and the Department continues to take those into account as DoD refines and updates current planning. However, the scenarios used in the BUR and subsequent force planning efforts were not designed to replicate the operational plans of the warfighting CINCs, but rather to provide a "yardstick" against which to assess the capabilities of programmed forces. As such, the scenarios are illustrative and encompass wide variances in threats, warning, geography, and other variables.

See pp. 37 and 44.

In fact, the development of such illustrative planning scenarios is an ongoing process undertaken regularly by the Joint Staff -- with intensive involvement and formal coordination by OSD, the Services, and the unified commands -- as part of the development of the Secretary's Defense Planning Guidance (DPG). The scenarios are formally coordinated with the Services and the unified commands before being approved by the Chairman of the Joint Chiefs of Staff.

The report's assertion that the CINC staffs believe the scenarios employed in the BUR and in subsequent analyses may not be "realistic" is incorrect for two reasons, clarity and inaccuracy. Throughout the report, the GAO used the phrases "is not realistic" and "is not the best approach" interchangeably. While DoD disagrees with the implications of both phrases, the use of "is not the best approach" more clearly reflects the GAO's finding and should be used consistently throughout the report. As to the question of inaccuracy, DoD recognizes that the CINC staffs are analyzing potential responses to a two-conflict situation that differ, in some ways, from those used in the BUR -- an activity encouraged and approved by the Secretary of Defense and the

See comment 11.

Enclosure
Page 15 of 17

Chairman of the Joint Chiefs of Staff. Such analysis should not be viewed as reflecting fundamental disagreement with the concepts or methodologies employed in the BUR, but rather as a normal process of broadening the understanding of the specific demands associated with meeting potential future contingencies.

The implication in the GAO report that the BUR somehow rules out taking actions to deter a second conflict once a first one occurs is utterly without basis. The Department has long endorsed the necessity for implementing Flexible Deterrent Options (FDOs) as a means of enhancing deterrence and strengthening the capabilities for effective initial response once a crisis emerges, be it the first or second MRC. It is also incorrect to state that the scenarios and analyses employed in the BUR did not recognize that some assets would be needed in both MRCs. Finally, the implication that the BUR proffered to the commands specific guidance on deployment mix, apportionment of lift assets, or mobilization levels is also inaccurate. Such guidance goes beyond the purview and purposes of the BUR and is transmitted via the deliberate planning process.

RECOMMENDATIONS

RECOMMENDATION 1: The GAO recommended that the Secretary of Defense thoroughly examine the assumptions related to the (1) redeployment of forces from other operations to major regional conflicts, (2) availability of strategic mobility assets and Army support forces, (3) deployability of Army National Guard enhanced brigades, and (4) planned enhancements to strategic lift and firepower. (p. 60/GAO Draft Report)

DoD Response: Concur. As recognized in the GAO report, DoD had initiated detailed studies in each of the recommended areas well before issuance of the GAO draft report. To the extent that results from those efforts are available, DoD will incorporate them into its response to the congressionally mandated report on the Bottom-Up Review, due in mid-1995. As was the case with the BUR, representatives from the Office of the Secretary of Defense, the Joint Staff, the unified commands, each of the Services, and other Defense agencies will participate in the preparation and review of the report.

RECOMMENDATION 2: The GAO recommended that the Secretary of Defense, in conducting this review, the options being examined by the warfighting commands be considered. (p. 60/GAO Draft Report)

Enclosure
Page 16 of 17

Appendix I
Comments From the Department of Defense

DoD Response: Concur. As discussed in the DoD response to Finding K, nothing in the BUR or DoD's current defense program is inconsistent with concepts being developed by the CINCs for their operational planning. OSD, the Joint Staff, Service staffs and the warfighting commands have continued to work together to develop and assess new approaches to conducting operations. Concepts and options developed by the warfighting commands will be reviewed formally by the Secretary of Defense and the Chairman of the Joint Chiefs of Staff during the normal warplan review process.

Enclosure
Page 17 of 17

The following are GAO's comments on the Department of Defense's (DOD) letter dated January 17, 1995.

GAO Comments

1. As discussed in chapter 2, our work showed the bottom-up review did not analyze in detail the feasibility or requirements of redeploying forces engaged in smaller-scale operations to a major regional conflict. As discussed in chapters 2 and 3, the war-fighting commands, as part of their joint study, are reviewing force requirements for different stages of both regional conflicts, and the Army is studying the impact of redeploying forces from peace operations. DOD agrees that it did not analyze the problem of redeploying assets in detail, and we believe that the ongoing studies will provide a better understanding of the feasibility and requirements for redeploying forces, including when specific forces and support capabilities might be needed in either conflict.
2. We agree that redeploying forces from one operation to another may not necessarily increase lift requirements. However, until DOD examines the lift requirements for such redeployments, we believe that the specific impact is unknown.
3. Until the Army completes its study on the impact of redeploying forces from smaller-scale operations, the specific support shortfalls will not be known. Until DOD knows the shortfalls, it cannot identify the most appropriate options for addressing them.
4. We agree that the 1991 mobility requirements study addressed two concurrent regional conflicts and was a useful source of analysis during the bottom-up review. We note, however, that the 1991 study concluded its recommended mobility program was not sufficient to meet the mobility requirements for two concurrent conflicts. Furthermore, the bottom-up review resulted in significant changes affecting mobility requirements, such as a new military strategy, a different force structure, and enhancements in war-fighting capability. In fact, because of these changes, DOD initiated a study to update the 1991 study to validate its conclusions in the bottom-up review about strategic mobility.
5. The changes in end strength have decreased the Army's flexibility to provide more support units in areas of need. The 13,000 person decrement represents a net decrease in end strength for the active component and the U.S. Army Reserve—those components that provide most of the Army's support units—and an increase in the Army National Guard's end strength.

Within its increased end strength, the Guard is retaining more combat positions than it retained under the base force. Because of the decreases in end strength in the active and U.S. Army reserve components and the fact that the increased Guard end strength is being used to retain combat positions, the Army has less flexibility for providing more support units within its end strength.

6. Our work showed indications that the Army would be challenged in supporting two nearly simultaneous major regional conflicts. We agree that the extent of actual shortages will not be determined until the Army completes its ongoing Total Army Analysis. Until DOD knows the shortfalls, it cannot identify the most appropriate options for addressing them.

7. We agree that the bottom-up review defined some parameters of the enhanced brigades. Although the bottom-up review stated that these brigades were needed to accomplish the two-conflict strategy, our work showed that DOD did not determine basic factors about the brigades, such as their wartime missions, deployability, or required enhancements. Although DOD states that the brigades will be fielded in significant numbers by the end of the decade, the Army currently envisions that by 1999 the training strategy being developed will be tested on only 3 of 15 brigades.

8. We modified the text to reflect improvements in the Ready Reserve Force. Chapter 2 already notes that DOD has prepositioned a brigade set on ships and nearly completed prepositioning a brigade set on land. Availability of sufficient lift, including 80 of 120 C-17 aircraft by 1999, was a key bottom-up review assumption. Since its inception, the C-17 program has encountered cost, technical, and schedule problems that DOD was aware of at the time of the bottom-up review. In fact, because of these problems, the Secretary of Defense was contemplating limiting procurement of the aircraft and in December 1993 decided to do so. For these reasons, we believe that DOD's assumption was overly optimistic. In its comments, DOD states that delivery of the full complement of airlift aircraft may very well be late.

9. We modified the text to reflect DOD's comment.

10. While DOD states that most other enhancement programs remain on track, DOD officials agreed, in discussing their comments, that schedules have been delayed in some of these programs such that they will not come on line until sometime after 2000. (The specific dates are classified.)

11. We modified the text to reflect DOD's comment regarding the two phrases.

12. We do not suggest that the bottom-up review rules out taking actions to deter a second conflict. In chapter 3, we are merely relaying the views of the war-fighting commanders that the defense planning guidance scenario does not sufficiently recognize the value of taking significant deterrent action. (The specific basis for their views is classified.) We agree that the bottom-up review recognized that some assets would be needed in both conflicts, as reflected in our discussion on dual-tasking in chapter 2 of the report. Furthermore, in chapters 1 and 3, we specifically distinguish between the bottom-up review and the defense planning guidance implementing the bottom-up review. We therefore do not agree that the report implies that the bottom-up review proffered specific guidance to the commands.

Major Contributors to This Report

National Security and International Affairs Division, Washington, D.C.

Steven Sternlieb, Assistant Director
Sharon Pickup, Evaluator-in-Charge
William Wood, Senior Evaluator
Barbara Gannon, Senior Evaluator
Samuel Hinojosa, Senior Evaluator
Nancy Ragsdale, Communications Analyst

Norfolk Regional Office

Richard Payne, Senior Evaluator

Ordering Information

The first copy of each GAO report and testimony is free. Additional copies are \$2 each. Orders should be sent to the following address, accompanied by a check or money order made out to the Superintendent of Documents, when necessary. Orders for 100 or more copies to be mailed to a single address are discounted 25 percent.

Orders by mail:

**U.S. General Accounting Office
P.O. Box 6015
Gaithersburg, MD 20884-6015**

or visit:

**Room 1100
700 4th St. NW (corner of 4th and G Sts. NW)
U.S. General Accounting Office
Washington, DC**

Orders may also be placed by calling (202) 512-6000 or by using fax number (301) 258-4066, or TDD (301) 413-0006.

Each day, GAO issues a list of newly available reports and testimony. To receive facsimile copies of the daily list or any list from the past 30 days, please call (301) 258-4097 using a touchtone phone. A recorded menu will provide information on how to obtain these lists.